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## **East Asia**

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April 1996

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# Daily Report

## East Asia

FBIS-EAS-96-063

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## Japan

### Japan: Hashimoto on U.S. Base in Okinawa, Clinton Visit

OW3103092996 Tokyo MAINICHI SHIMBUN  
(Morning Edition) in Japanese 31 Mar 96 p 2

[FBIS Translated Text] Prime Minister Ryutaro Hashimoto spoke at an informal meeting on political and economic affairs hosted by the Liberal Democratic Party's [LDP] Osaka chapter on 30 March in Osaka City and commented on the issue of the lease expiring on 31 March regarding land in Sobe in Okinawa Prefecture on which a U.S. military communications facility stands. Hashimoto said: "We will be facing a very severe situation from today until tomorrow." Regarding the issue of the realignment, consolidation, and reduction of U.S. military bases, the prime minister said: "Once again, we have come to fully realize the difficulty involved in trying to instantly change a situation that has developed as a result of the piling up of events over the past 50 years that carry great historical significance."

Prior to the Osaka event, Hashimoto spoke at a political, economic, and cultural seminar in Kanazawa City hosted by the LDP's Ishikawa chapter. Touching on his planned meeting with U.S. President Bill Clinton, who is to visit Japan on 16 April, the prime minister said: "The Japanese-U.S. Security Treaty will be important to both countries in the future. I would like to seek the understanding of the people and their cooperation on this arrangement." At the same time, he commented on the issue of U.S. military bases on Okinawa, stressing: "Ever since the very unfortunate incident last year, there has arisen strong resentment among the Okinawan people. We must make every effort to realign, consolidate, and reduce military bases on Okinawa."

### Japan: U.S.-Japan Views Differ on Summit 'Significance'

OW0104010196 Tokyo NIHON KEIZAI SHIMBUN  
(Morning Edition) in Japanese 30 Mar 96 p 2

[Report by Akihiko Miyamoto]

[FBIS Translated Text] Washington — Prior to President Bill Clinton's April visit to Japan, it has become apparent that Japan and the United States have different views on the significance of the summit talks. While Japan hopes to highlight this as "a political conference" intended to achieve progress in the Okinawa bases issue and to advocate the maintenance of Japan-U.S. security arrangements, the U.S. stance has been to seek progress in the three pending economic issues. These differing views indicate it is unavoidable that both the Hashimoto

and Clinton administrations will attach more importance to these domestic issues.

As soon as the U.S. saw that the Taiwan issue had passed the critical stage, it started taking "the economic offensive" against Japan. U.S. Ambassador to Japan Walter Mondale met with Chief Cabinet Secretary Seiroku Kajiyama to call for Japanese concessions on further deregulating the domestic insurance, semiconductor, and film markets. On 28 March, Secretary of State Warren Christopher met with Japanese Ambassador to the United States Kunihiro Saito for about one hour, and called on Japan to strive for progress in talks relating to those three markets.

Moreover, Assistant Secretary of State Winston Lord stated in his speech: "The United States, like Japan, regards the Okinawa bases issue as a sensitive problem. However, we must also regard the trade issue to be as sensitive as the Okinawa issue." In this way, he made it perfectly clear that Japan has stuck too much to "Okinawa." He kept in lockstep with the U.S. position of "attaching importance to the economic issues."

With the upcoming presidential election in November, the basic thinking of President Clinton, who faces an ongoing confrontation with the Republicans in Congress, is: If his visit ends up merely dealing with the Okinawa issue, and the "reconfirmation of the Japan-U.S. security alliance," that will constitute no real "achievement." Therefore, as a quick way to attain results, the President needs to have more trade agreements with Japan to demonstrate to the U.S. public that his economic-oriented diplomacy was correct.

Reportedly, Leon Panetta, White House chief of staff and presidential adviser, has already drafted a list of demands for Japan based on the opinions of business executives culled during hearings. Large corporations, influential in the presidential election, are behind these demands, particularly in the three controversial economic markets. Therefore, it seems it will be difficult for the Japanese government to get over this situation by just "continuing the negotiations."

### Japan: Okinawa Site Lease To Lapse, Ota Refuses To Sign

OW2903132196 Naha OKINAWA TIMES (Evening Edition) in Japanese 29 Mar 96 p 1

[FBIS Translated Text] As a part of the procedure for the forced extension of land leases — which landowners have refused to conclude — the Naha Defense Facilities Administration Bureau [DFAB] on the morning of 29 March filed with the Prefectural Land Expropriation Committee a petition calling for 10-year leases on the



land (3,002 landowners with 251 plots) in 13 facilities, including some plots in the Naha Military Port and a runway of the Kadena Air Base. In addition, in connection with a lease on the Sobe communications site in Yomitan, which expires on 31 March, the DFAB asked for an emergency lease (six-months) on the site. Following Okinawa Governor Ota's refusal to sign paperwork for land leases, DFAB officials signed lease contracts on 29 March according to directions from Prime Minister Ryutaro Hashimoto. Hashimoto is the first prime minister to sign the documents. Amid growing critical attention to the U.S. military facilities resulting from a rape case involving U.S. servicemen last September, those government actions which will cause the government to "institute vigorous action" concerning the forced leases on the land is likely to invite further opposition by the local populace.

This is the fourth time the central government has taken these measures for forced leases. The land subject to the forced leases is scattered throughout 13 facilities. Its total area is 36.8 hectares, which accounts for 0.23 percent of the total land of 16,350 hectares under both public and private ownership. Among the private landowners, 2,885 are members of Ono-Tsubo Anti-War Military Landowners' Association.

In the petition, the DFAB asked for a 10-year forced extension on the lease for a plot in the Sobe communications facility for continuous use by the U.S. military as of 1 April 1996 and others as of 15 May 1997.

Plots that are located in the Naha Military Port and owned by Naha City are also included in the petition. As for the Naha Military Port, the Japanese and the U.S. Governments agreed in 1974 on the return of the port, but its process has faced rough going because an area for the relocation of the port has not been decided yet. In the previous request (made in 1992), five-year leases on the plots owned by Naha City were approved; and, in that case, the DFAB asked for an approval for forced leases on the plots along with other lands.

This morning, DFAB officials visited the Prefectural Base Affairs' Office and informed prefectural officials that the documents were completed by Prime Minister Hashimoto. The DFAB officials designated by the prime minister signed and put their seal on the necessary documents pertaining to land owned by 35 anti-military landowners for which the governor refused to sign. With the completion of the documents, DFAB officials exhibited a petition to the expropriation committee in the Prefectural Office later this morning.

This time, the government was far behind in instituting proceedings for the forced extension of leases on land because of a lawsuit against Governor Ota by the

government ordering the governor to carry out his duties by signing the documents. The filing of the request for approval this time was eight months late and four months late in comparison to when the requests that were approved in 1987 and 1992, respectively, were submitted. If the recent case follows the same course, it cannot be ruled out that the expropriation committee's approval would not be given by the deadline of 14 May 1997.

In the midst of growing nationwide attention to the fate of the military base issues in Okinawa and in the face of U.S. President Clinton's visit to Japan, the government will fall into a state in which a plot in the Sobe communications site is "illegally occupied."

#### **Japan: Governor Takes Okinawa Base Issue to Supreme Court**

OW0104080796 Tokyo KYODO in English  
0745 GMT 1 Apr 96

[FBIS Transcribed Text] Naha, Japan, April 1 KYODO — Okinawa Gov. Masahide Ota on Monday [1 April] took a legal battle with the central government to the supreme court over the continued use of local land by the U.S. military despite landowners' opposition.

Ota filed an appeal with the top court against the March 25 decision at the Naha branch of the Fukuoka High Court, ordering Ota to sign documents needed to force 35 landowners in Okinawa Prefecture, southwestern Japan, to continue leasing 35,000 square meters of land to the U.S. military.

Ota's signature was needed as both the landowners and the heads of Okinawa municipalities, where the landowners live, refused to sign the documents themselves.

The governor earlier said he would not comply with the court order because it was "extremely harsh toward the people of Okinawa" and indicated no direction for a fundamental resolution of the bases issue.

In December, then Prime Minister Tomiichi Murayama filed a suit against Ota to force the governor to comply with the central government's wishes.

On Thursday, incumbent Prime Minister Ryutaro Hashimoto signed the documents after Ota rejected the court order.

About 75 percent of all land used by the U.S. military in Japan is concentrated in Okinawa, which accounts for only 0.6 percent of Japan's total area.



**Japan: Okinawa Landowner's Request To Enter  
U.S. Site Rejected**

*OWD/04100996 Tokyo KYODO in English*  
*0954 GMT 1 Apr 96*

[FBIS Transcribed Text] Naha, Japan, April 1 KYODO — The government Monday (1 April) rejected a request by the owner of a plot of land that houses part of a U.S. military communications facility in Okinawa to enter onto the land after his contract for forced rental expired Sunday.

The Defense Facilities Administration Agency turned down the request by the owner, 47-year-old Shoichi Chibana, with an agency official saying, "we can't permit anybody into the facility," according to Chibana's lawyers.

Defending the government's move, Defense Agency Vice Minister Naoki Murata said at a press conference there are concerns about actions and accidents that could hamper the operation of the facility, thereby wielding a "grave influence" on the U.S.-Japan security regime.

Chibana earlier in the day asked a local court to order an end to measures preventing him from entering onto the land in Yomitan, located in the central part of Okinawa, the largest island of the nation's southwesternmost prefecture.

He lodged the request at the Naha district court demanding access to and the return of a 236-square-meter plot of land, which is part of a 530,000-square-meter tract on which the Sobe communications facility stands.

The lease expiry at midnight Sunday has left the land occupied by the U.S. military without a clear legal basis.

But the administration of Prime Minister Ryutaro Hashimoto has said it does not necessarily mean an illegal situation exists because Tokyo is obliged to provide the U.S. armed forces in Japan with land under the bilateral security treaty that is above domestic law.

On that basis, the government has made it clear it will not allow Chibana to enter onto his land even though the lease has expired.

Hashimoto asked senior officials of the government and the ruling coalition to make efforts to bring the "abnormal" situation to an end.

The government has already filed a request with Okinawa's Prefectural Land Expropriation Committee to permit emergency use of the land for six months pending completion of a series of legal procedures enabling the forced continuation of its use.

But the permission is unlikely to come by the time U.S. President Bill Clinton is slated to arrive in Japan on

April 16 for a meeting with Hashimoto, government sources said.

Chibana's request lodged with the court states that the presence of the U.S. military contravenes the spirit of peace enshrined in Japan's constitution.

It also states that even if the antenna on his land were dismantled, there would not be any electronic engineering damage.

The request also says the government's claim that it has a duty to continue to provide land to the U.S. military is "merely saying that for the sake of Japan-U.S. security, we must not complain even if Okinawa is subjected to the illegal infringement of rights."

Chibana also told reporters he will send a written request to Hashimoto demanding the return of the land.

"The legal vacuum starting today is the result of strong sentiment among people in Okinawa and the mainland who oppose the U.S. military presence," said Chibana, a shopkeeper. "This is a small victory," he said.

In the area around the communications facility, police and government officials stayed on guard around the clock while Chibana and other landowners, backed by some 1,500 supporters, protested the "illegal occupation" by the government of their land.

"They (the agency officials) don't even mention the reason for refusing my entrance," Chibana told the rallying supporters. "That's outrageous."

Kenichi Ito, a professor of international political studies at Aoyama Gakuin University in Tokyo, said that under the civil code, the government's "illegal occupation" of Chibana's land could constitute an infringement of individual rights.

But he said that as long as the government has a duty to fulfill its obligations under the security treaty with the United States, any ruling on the pros and cons of that right cannot be done purely from the perspective of property rights.

Ito said that while the constitution guarantees individual property rights, it also stipulates an obligation to protect the common good and international law.

The dispute has clouded Clinton's scheduled visit to Tokyo aimed at reaffirming the importance of the bilateral security ties after the end of the Cold War.

Chief Cabinet Secretary Seiroku Kajiyama urged "understanding" on the part of the landowner and the public.

The situation may have some effect on the Clinton visit, but the United States would rather see it as a "domestic issue," Kajiyama told a press conference.



Prime Minister Hashimoto also described the uncertainty surrounding the legal status of the land housing the U.S. communications facility as a "very serious situation."

Hashimoto also expressed concern over reports that members of radical factions have entered Okinawa.

**Japan: Okinawa's Kyan Defers Renewing Contract for U.S. Base**

*OW3103062196 Tokyo KYODO in English  
0612 GMT 31 Mar 96*

[FBIS Transcribed Text] Naha, Japan, March 31 KYODO — The chief of a village in Okinawa that contains part of a U.S. military base said Sunday [31 March] he will defer renewing the base's village-owned land lease until beyond the April 1 expiry date.

Kaoru Kyan, head of Kitanakagusuku village, about 15 kilometers northeast of the prefectural capital of Naha, said he will not renew the lease for the U.S. Marines' Zukeran camp with the Naha Regional Defense Facilities Administration Bureau for the time being.

Kyan said he will decide whether to extend the lease after seeing what stand the U.S. and Japanese Governments adopt on the bases issue after the April summit between U.S. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto.

He said the current lease results from a memorandum signed between the village and the bureau in 1992.

The lease has until now been regularly renewed each March.

Elsewhere, security was tight around the 236-square meter Sobe Communications Facility in Yomitan, whose lease expires Sunday, in anticipation of protests against the forced leasing of the land to the U.S. military.

Okinawa prefectural police said around 1,000 people, including extremists, were expected to gather near the site. Antibase demonstrators planned a concert Sunday afternoon.

The government was unable to complete in time paper work that would allow it to forcibly lease the land, whose owner Shoichi Chibana, 47, has demanded its return.

On Thursday Prime Minister Hashimoto signed documents forcing the land lease to U.S. forces in Okinawa Prefecture on behalf of Okinawa Gov. Masahide Ota, after Ota refused to do so in defiance of a court order.

The documents renew leases for a total of 370,000 sq. meters of land owned by some 2,900 Okinawa residents.

Ota's refusal to force local landowners to lease the land came against the backdrop of intensified public outcry over the U.S. military presence on the southwestern Japanese island prefecture following the rape of a local elementary schoolgirl there last September, for which three U.S. servicemen were sentenced to prison terms.

Meanwhile, Defense Agency Chief Hideo Usui said in a Japan Broadcasting Corporation (NHK) television program that it would be "difficult" to have the U.S.'s Futenma airfield, about 5 km northeast of Naha, returned to Japan.

"The core of the U.S. military's presence in the Asia-Pacific is the Marines in Okinawa, and their base is Futenma," Usui said.

About 75 percent of all Japanese land for U.S. military use is in Okinawa, which accounts for only 0.6 percent of Japan's total area. It is located about 1,600 km southwest of Tokyo.

**Japan: Editorial Views Verdict on Okinawa Military Land Use**

*OW3103054196 Tokyo NIHON KEIZAI SHIMBUN  
(Morning Edition) in Japanese 26 Mar 96 p 2*

[Editorial: "Gap Between the Court Decision and Okinawa's Feelings"]

[FBIS Translated Text] A court verdict that will be appraised in two vastly different ways has been pronounced.

In the court case on the forced use of land for U.S. military bases, the Naha branch of the Fukuoka High Court pronounced on 25 March a verdict ordering Okinawan Governor Masahide Ota to undertake proxy signing of land documents.

Under existing laws, the governor has no power to review the prime minister's certification of forced land use. Therefore, the court decision that the governor cannot reject the order for him to perform administrative duties on the ground of unconstitutionality or illegality of the order is legitimate. However, this verdict is, for sure, unacceptable to the Okinawan authorities, which deal directly with the Okinawa people, who suffer from damages from the U.S. bases on a daily basis, and their complaints.

In the first place, the issue raised by Governor Ota through the act of refusing to sign land leases by proxy — "Why does Okinawa have to be the only one bearing the burdens of the Japan-U.S. security alliance" — is not a problem that can be resolved in court. Balancing the requirements for maintaining the U.S. bases in Okinawa, which constitute the cornerstone of the bilateral security



arrangements, and the need to reduce the burden on the Okinawan people is essentially a job for the political authorities.

We have always taken the position that the Japan-U.S. Security Pact is necessary for the security of Japan and stability in Asia. As seen from the military intimidation China instigated during the Taiwan presidential election, the security alliance has become increasingly important. Even Okinawa does not deny the role of the security treaty.

However, Okinawa has consistently been the "island of military bases" for 50 years after the end of World War II, and with no end in sight, the Okinawans are becoming increasingly impatient about their uncertain future.

The understanding and cooperation of the Okinawan people are indispensable to maintain the security treaty and to avoid undermining the functions of U.S. military bases in Okinawa. In this regard, promoting the realignment and consolidation of the bases on the long-term, and giving the Okinawans hope for the future and peace of mind will be necessary. The size and location of military facilities are greatly influenced by the prevailing international situation. A rigid plan will only be a un-executable piece of paper.

Nevertheless, the realignment and consolidation of bases, and the conversion of returned military land requires a long-term vision. Okinawa has issued an action program aiming at the complete return of all U.S. military bases in the prefecture by the year 2015. This is an admirable attempt.

Utmost efforts should also be exerted to deal with the early return of facilities whose return has been agreed upon, but which have not actually been returned, and to resolve other highly urgent pending issues. We hope to see "tangible" results by the time U.S. President Bill Clinton visits Japan in April.

#### **Japan: Morodomi's Remarks on Sobe Facility Landowner Reported**

*OW3103070496 Naha KYUKYU SHIMPO (Morning Edition) in Japanese 30 Mar 96 Morning Edition p 1*

[FBIS Translated Text] Tokyo — On the issue of whether to prevent the landowner from entering the U.S. forces' Sobe Communications Facility, with lease contracts for part of its land expiring on 31 March, Director General Masuo Morodomi of the Defense Facilities Administration Agency [DFAA] said at a news conference on 29 March that, "Considering the overall situation, there is a strong possibility that he will be refused entry." He indicated that entry will be

denied even after the government loses the legal right to use the land.

Furthermore, with regard to the landowner, Shoichi Chibana, 47, who burned the national flag and was found guilty of trespassing and other offenses (given a suspended sentence) during the national games in 1987, Morodomi said: "The landowner's past behavior is also one consideration." He hinted that the landowner's past records and the decision to deny entry are not unrelated.

Antiwar landowners and human rights groups, not to mention Chibana himself, voiced strong objections to Morodomi's remarks, saying: "It was an attack on personality; it is impermissible. This is a serious affront on human rights, and it is unbecoming of a civil servant whose job is to maintain the legal order."

#### **Japan: Hashimoto Reproaches DFAA Chief for Remark on Sobe**

*OW3103083396 Naha OKINAWA TIMES (Evening Edition) in Japanese 30 Mar 96 p 2*

[FBIS Translated Text] Prime Minister Ryutaro Hashimoto summoned Naoaki Murata, administrative vice minister of the Defense Agency [DA], and Masuo Morodomi, director general of the Defense Facilities Administration Agency [DFAA], to the Prime Minister's Official Residence on the morning of 30 March. Hashimoto strongly reproached Morodomi for his remark that the past behavior of the landowner of the U.S. forces' Sobe Communications Facility — lease contracts of part of the land used for this facility expire by the end of March — is part of the reason for denying entry of this landowner into the Sobe facility. He said that this was an "indiscreet statement."

After his meeting with the prime minister, Morodomi told reporters: "I explained my remark. I was reproached by the prime minister, who said it was outrageous to make such an indiscreet statement at a time like this."

At a news conference on 29 March, Morodomi said that from 1 April, after the land leases expire, "there is a strong possibility that the landowner will be denied entry due to his past record as an antiwar landowner." In this regard, a top DA official explained that "it is not true that we make decisions based on a person's past behavior."

#### **Japan: Sobe Landowner To Sue Government Over Expiry of Lease**

*OW3103235396 Tokyo KYODO in English 2343 GMT 31 Mar 96*

[FBIS Transcribed Text] Naha, Japan, April 1 KYODO — The owner of a small plot of land housing a U.S.



military communications facility in Okinawa, southwestern Japan, said early Monday [1 April] he will seek emergency court action to get it back as the lease with the government expired at midnight Sunday.

Shoichi Chibana, 47, also told reporters he will send a written request to Prime Minister Ryutaro Hashimoto demanding the return of the 236-square-meter plot, part of a 530,000-sq.-meter tract on which stands the Sobe Communications Facility in Yomitan, central Okinawa.

"The legal vacuum starting today is the result of strong sentiment among people in Okinawa and the mainland who oppose the U.S. military presence," said Chibana, an antiwar shopkeeper. "This is a small victory."

The lease expiry has left the land occupied by the U.S. military without a clear legal basis, but the Hashimoto administration has said it does not necessarily mean an illegal situation exists because Tokyo is obliged to provide the U.S. armed forces in Japan with land under the bilateral security treaty that is above domestic law.

On that background, the government has made it clear it will not allow Chibana to enter his land even though the lease has expired.

The government has already filed a request with Okinawa's prefectural land expropriation committee to permit emergency use of the land for six months pending completion of a series of legal procedures enabling the forced continuation of its use.

The dispute has clouded U.S. President Bill Clinton's scheduled visit to Tokyo in mid-April aimed at reaffirming the importance of the bilateral security ties after the end of the Cold War.

In the area around the communications facility, police and government officials stayed on guard around the clock while some 1,000 people supporting Chibana held a concert about 500 meters away earlier Sunday.

In 1977, the government faced a similar four-day "legal vacuum" over the use of land for the U.S. military and at that time it allowed landowners to enter their property.

#### **Japan: Further on Sobe Communications Site Lawsuit**

*OW0104020696 Tokyo KYODO in English  
0134 GMT 1 Apr 96*

[FBIS Transcribed Text] Naha, Japan, April 1 KYODO — The owner of a plot of land housing a U.S. military communications facility in Okinawa, the southernmost island of Japan, asked a local court Monday [1 April] to order an end to measures preventing him from entering the land following expiry of a lease with the central government.

Shoichi Chibana, 47, lodged the request at the Naha District Court demanding access to and the return of a 236-square-meter plot of land, part of a 530,000-square-meter tract on which stands the Sobe Communications Facility in Yomitan, central Okinawa.

The lease expiry at midnight Sunday has left the land occupied by the U.S. military without a clear legal basis.

But the administration of Prime Minister Ryutaro Hashimoto has said it does not necessarily mean an illegal situation exists because Tokyo is obliged to provide the U.S. armed forces in Japan with land under the bilateral security treaty that is above domestic law.

On that basis, the government has made it clear it will not allow Chibana to enter his land even though the lease has expired.

The government has already filed a request with Okinawa's prefectural land expropriation committee to permit emergency use of the land for six months pending completion of a series of legal procedures enabling the forced continuation of its use.

On Monday afternoon Chibana, his family members and supporters plan to gather in the center of the village and walk to the communications facility to celebrate the expiry of the contract.

Chibana's request lodged with the court states that the presence of the U.S. military contravenes the spirit of peace enshrined in the constitution.

It also states that even if the antenna on his land were dismantled, there would not be any electronic engineering damage.

The request also says the government's claim it has a duty to continue to provide land to the U.S. military is "merely saying that, for the sake of Japan-U.S. security, we mustn't complain even if Okinawa is subjected to the illegal infringement of rights."

Chibana, also told reporters he will send a written request to Hashimoto demanding the return of the land.

"The legal vacuum starting today is the result of strong sentiment among people in Okinawa and the mainland who oppose the U.S. military presence," said Chibana, an antiwar shopkeeper. "This is a small victory."

In the area around the communications facility, police and government officials stayed on guard around the clock while some 1,000 people supporting Chibana held a concert about 500 meters away earlier Sunday.

Kenichi Ito, a professor of international political studies at Aoyama Gakuin University in Tokyo, said that under the civil code, the government's "illegal occupation"



of Chibana's land could constitute an infringement of individual rights.

But he said that as long as the government has a duty to fulfill its obligations under the security treaty with the United States, any ruling on the pros and cons of this right cannot be done purely from the perspective of property rights.

Ito said that while the constitution guarantees individual property rights, it also stipulates an obligation to protect the common good and international law.

Takeshi Igarashi, a University of Tokyo professor specializing in U.S. diplomacy, said the case highlights the need to consider the losses of freedom suffered by people in Okinawa as a result of the presence of the U.S. military.

But Igarashi also noted that the role of the U.S. military in Okinawa in maintaining security in the Far East has been heightened as a result of tension in the region bordering Okinawa by China's recent missile testing and military maneuvers directed against Taiwan.

The dispute has clouded U.S. President Bill Clinton's scheduled visit to Tokyo in mid-April aimed at reaffirming the importance of the bilateral security ties after the end of the cold war.

In 1977, the government faced a similar four-day "legal vacuum" over the use of land for the U.S. military and at the time it allowed landowners to enter their property.

Chief Cabinet Secretary Seiroku Kajiyama, the top government spokesman, urged "understanding" of the landowner and the public so that the duration of the abnormal situation is short.

The situation may have some effect on the Clinton visit, but the United States would rather see it as a "domestic issue," Kajiyama told a press conference.

Prime Minister Ryutaro Hashimoto described the uncertainty surrounding the legal status of the land housing the U.S. communications facility as a very serious situation.

Hashimoto also expressed concern over reports that members of radical factions have entered Okinawa.

A government source said the government hopes to have the problem solved in time for the April 14 visit to Japan of U.S. Secretary of Defense William Perry.

Perry's visit will be followed by the April 16-18 visit by President Clinton, who is scheduled to discuss security arrangements in a meeting with Hashimoto.

"If we go into the summit like this, we'll have to start it off with an apology and that would be disadvantageous to Japan," the source said.

#### Japan: USFJ Says Sobe Landowner's Entry to Site 'Impossible'

OW3103132396 Naha OKINAWA TIMES (Morning Edition) in Japanese 30 Mar 96 p 1

[FBIS Translated Text] The headquarters of the U.S. Forces in Japan [USFJ] (in Yokota Base in Tokyo) disclosed on 29 March they will not allow a landowner of a plot in the Sobe communications site located in the village of Yomitan to enter his plot even after the expiration of a lease on the plot. This is the first time that the U.S. side announced a plan not to let the landowner get into the site. The USFJ said "it was decided at consultations between the Japanese and the U.S. Governments." But Director-General Masuo Morotomi of the Defense Facilities Administration Agency [DFAA] told a press conference on the day that "we will decide after seeing the situation at the time the landowner requested his entry," thus indicating a vague position different from that of the USFJ. In this way, there is a difference in positions between the USFJ and the Japanese Government. To let the U.S. military continuously use the facility, the Japanese Government applied on 29 March to the Okinawa Prefectural Land Expropriation Committee [LEC] for an emergency lease on the land. But the LEC has decided to have its first meeting on 12 March. Therefore, the situation in which the government "illegally occupies" the private land will be prolonged.

In response to the OKINAWA TIMES' inquiry, the USFJ disclosed that "As a result of consultations with the Japanese Government, we have come to the conclusion that the landowner's entry into his plot is impossible."

The Headquarters' spokesman Kevin Kurijerk (as published) explained "We confirmed with the Japanese side early this week that we will prohibit the landowner from entering the site." However, the spokesman refrained from making further comments, saying he could not go into detail (such as reasons for not letting the landowner enter his plot) "because the decision is a matter related to Japan's judicial problems."

On the forced extension of land leases, U.S. diplomatic sources say: "The United States will sit on the fence because the issue is a domestic Japanese matter. What the United States pays attention to is whether the Japanese Government will be able to provide the land." Thus, the U.S. side sees that the issue is a matter to be dealt with by the Japanese side.



Meanwhile, DFAA chief Morotomi, pointing out that various anti-military supporting groups in the mainland have come to Okinawa, said: "We will decide whether or not we should let the landowner enter the site after seeing the overall situation, including moves of anti-government activists."

Thus, the DFAA official's remarks indicated that there is a delicate difference in positions between the two sides.

Morotomi said authorities over the facility are possessed by the U.S. military under the pretext of the administrative right of the U.S. military under the Japan-U.S. Status of Forces Agreement. He went on to say that "the DFAA is obligated to ensure the stable use of the facility" by the U.S. military. In this way, he indicated his view that it is possible for the government to exercise the police power under the judgment of the government and apply the Special Criminal Law pertaining to the Enforcement of the Agreement under Article VI of the Japan-U.S. Security Treaty and criminal law if the situation gets confused.

Government sources say the DFAA originally planned to allow only a landowner to enter the site and confirm his plot with officials from the Naha Defense Facilities Administration Bureau (DFAB). However, the DFAB changed their plan because the U.S. military indicated reluctance to let the landowner enter the facility on the grounds that the confidentiality of the communications facility is high.

#### **Japan: Leaders Urge Temporary Use of Okinawa Base Land**

*OW0104040796 Tokyo KYODO in English  
0339 GMT 1 April 96*

[FBIS Transcribed Text] Tokyo, April 1 KYODO — Top government leaders Monday [1 April] urged an Okinawa prefectural panel to swiftly accept its request for the emergency use of a tract of land for the U.S. military following the expiration of a lease for part of the site.

"It is my role to do my utmost to have the land expropriation committee of Okinawa Prefecture reach a decision as soon as possible by understanding the weight (of the Japan-U.S. Security Treaty)," Prime Minister Ryutaro Hashimoto said.

Hashimoto made the statement at a House of Representatives Budget Committee session after a lease on a 236-square-meter plot owned by an Okinawa shopkeeper expired at midnight Sunday, resulting in the U.S. military's occupation of the land without a clear legal basis.

Defense Agency Chief Hideo Usui echoed Hashimoto's appeal, saying the government cannot allow the use of the site to be discontinued simply because of opposition by the landowner, Shoichi Chibana, 47, in view of Tokyo's obligations to offer land for U.S. forces under the security treaty.

Chibana's plot constitutes a fraction of the land on which a U.S. military communications facility is located.

The government has asked the prefectural committee to permit the emergency six-month use of the plot, pending completion of lengthy legal action aimed at forcing its continued rental.

The land for U.S. bases issue in the southwestern prefecture was among topics discussed by the key lower house committee, which met for the first time in a month after the main opposition Shinshinto (New Frontier Party) agreed last month to end its blockade of the committee's chamber.

Hashimoto rejected renewed opposition demands at the session for a review of the government's policy to inject 685 billion yen in taxpayers' money into a package of measures for winding up failed housing loan companies.

"We consider the package, mapped out after intense negotiations among the parties concerned, as the most appropriate measure under the current circumstances," he told the committee.

Shinshinto agreed to reopen committee debate after Hashimoto's ruling coalition assured it of sufficient time for deliberations on the controversial housing loan firm package.

#### **Japan: Editorial Calls Sobe Land Occupation 'Illegal'**

*OW0104064596 Naha OKINAWA TIMES (Morning Edition) in Japanese 1 Apr 96 p 5*

[Editorial: "Illegal Occupation by the Government Should Not Be Permitted"]

#### **[FBIS Translated Text] Policy Enforcement Justifiable by Fabricated Concepts**

"If measures are taken in such a small country to demonstrate it has troops and strength, that exposes the country all the more to foreign pressure from its enemies and eventually endangers the country." (That is what then-Minister of Internal Affairs [naimu daijo] Michiyuki Matsuda wrote in a report during his first assignment to Ryukyu.)



To pave the way for abolishing clans and establishing prefectures 121 years ago, the Tokyo government intended to deploy troops and build military bases in Okinawa. At the time, the Okinawan people persistently rejected the establishment of bases by drawing on Matsuda's aforementioned argument (born in 1839, died in 1882), who was then in charge of settling Ryukyu issues [Ryukyu shobun-kan].

Our ancestors maintained: "We would rather not have either troops or strength, but deal with foreign countries with civility and docility. In other words, we would like to preserve our country based on the so-called principle that 'the weak can overcome the strong.'" Therefore, instead of seeking a stabilized but suppressed life brought about through "military power," they elected to live on a smaller scale — a life of poverty yet "harmony" in which people could fully enjoy peace.

Today, 1 April, has specific meaning for Okinawa. On this day 51 years ago, U.S. troops attacked with 1,500 vessels and 550,000 troops. Close to where its troops landed, the U.S. military built, at a high elevation, a naval communications facility with a panoramic view.

That is where the Sobe Communications Site now stands, and on which a lease for a portion of private land (236 square meters in area) on this site expired on 31 March. Since the land will now be in use without the right to do so as of 0000 hours this morning, that means an unusual "legal vacuum" exists in which the government is illegally occupying the land.

This will be the second time in 19 years such a "legal vacuum" has existed, following a similar "4-day legal vacuum" that occurred in May 1977. The government, however, will announce the continued occupation based on the obligation of providing land as stipulated in the Japan-U.S. Security Treaty. At the same time, the government has submitted an application to the Prefectural Expropriation Committee (Kenyu Nishi, chairman) for "10-year enforced use" of non-contracted land lots (with a total of 251 land lots owned by 3,002 landowners) located on 13 facilities, such as the Sobe Communication Site, Kadena Air Base, Futenma Air Station, Iejima Auxiliary Airfield, Kadena Ammunition Storage Area and the Naha Port Facilities (Naval Port).

Meanwhile, the government has also submitted an application for "6-month emergency use" of the plot of private land at the Sobe Communications Site because the landowner has refused to renew the lease. However, we feel insulted because in implementing its policy on U.S. bases in Okinawa, the government seems to have completely ignored the landowners' desires and decided on continuing the enforced use by resorting to state power. We can only say that the government has

invoked legal authority exceeding the bounds of what is permissible.

No matter how the government may try to justify it, the current situation is tantamount to an "illegal occupation" by the government. It is a reckless act that negates private property rights guaranteed by the Japanese Constitution.

Commenting on the illegal occupation of the private land lot on the Sobe Communications Site on 31 March, both Chief Cabinet Secretary Seiroku Kajiyama and Defense Agency Director General Hideo Usui denied any illegality. However, do not their own strong denials, offered at their own initiative, demonstrate all the more clearly the illegality of the government's position?

We feel that the government has not only visibly failed to bring about a base reduction, but this time has once again challenged Okinawa over the illegal occupation issue.

### Dirty Facilities

This Sobe Communications Site together with the Torii Communications Facility and the Senaha Communications Facility located in the neighboring area are of specific significance to Okinawa because these facilities are super-secret military facilities engaged not only in spying on countries considered hypothetical enemies but also on U.S. allies. A symbolic case was revealed in mid-October 1995 when Japan's moves were "wire-tapped during trade talks with the United States."

During the U.S. military occupation, these facilities were regarded as special areas where even that U.S. High Commissioner (an army lieutenant general), who had tremendous power as the supreme ruler of Okinawa, was not permitted to enter or leave freely. Moreover, it is a strictly-guarded area where any structures over a meter high are not allowed close to the facilities, even temporarily, because of possible radio jamming.

These facilities are known within the U.S. forces by the nickname "Dirty Commands," from a saying of "secretly wiretapping bedrooms," and they are generally kept at arms-length.

The wiretapping facility "AN FLR-9" (Flair Nine) [as transliterated], which is generally known as the Elephant's Cage, is a better version of the "Vorenwaver Alley" [as transliterated] developed by Nazi Germany during World War II and improved by the U.S. Navy and Air Force. Three layers of cylindrical antennas about 28 meters in height and about 200 meters in diameter are located at this facility.



**For Whom Is the Land Secured?**

Reportedly, such facilities are set up in 29 localities in the world. As indicated by the case of wiretapping Japan's moves during the trade talks with the United States, these facilities have extended their activities to cover not only military but also economic fields and also to cover moves of its allies even after the end of the Cold War's East-West confrontation. In that connection, countries involved seem to have secretly requested that these facilities be removed. Due to the nature of these facilities, however, the issue will not be made public.

Because one landowner has refused to renew a land lease, the government has gone so far as to mobilize 1,500 police officers to ensure its illegal occupation and enforced use of the land. But we would like to ask for whom are these guaranteeing measures intended?

The Naha branch of the Fukuoka High Court (Judge Ichiro Ozuka, presiding) ordered Okinawa Governor Masahide Ota to sign by proxy documents needed for the enforced use of land to continue. The verdict in this lawsuit has aroused doubts about the judicial branch's autonomy. And this time, the government has involved the general public in arguments over an issue of illegality and unconstitutionality. As a result, it is apparent the government will get into more serious trouble over its handling of the issue of U.S. military bases on Okinawa at the upcoming Japan-U.S. summit talks.

**Japan: 90,000 Said To Attend Anti-U.S. Military Tokyo Rally**

*OW3103061096 Hong Kong AFP in English  
0539 GMT 31 Mar 96*

[FBIS Transcribed Text] Tokyo, March 31 (AFP) — Tens of thousands of people staged a rally in Tokyo on Sunday [31 March], protesting against the huge U.S. military presence in the southern Japanese prefecture of Okinawa.

A communist-affiliated group that organized the demonstration said about 90,000 people from across the country took part in the rally, the largest here since the rape of a 12-year-old girl by three U.S. servicemen outraged Okinawa and the rest of Japan last year.

"The U.S. Army should leave Okinawa! Let's scrap the Japan-U.S. security treaty!" the demonstrators shouted.

**Japan: Protesters Hold Rallies Against U.S. Military Bases**

*OW3103121296 Tokyo KYODO in English  
1203 GMT 31 Mar 96*

[FBIS Transcribed Text] Tokyo, March 31 KYODO — - About 3,000 protesters gathered at downtown Hibiya park on Sunday [31 March], demanding the removal of U.S. bases from Japan.

In Okinawa, host to 75 percent of all the U.S. bases in Japan, some 500 people braved rain to participate in an outdoor concert aimed at rallying behind landowner Shoichi Chibana.

Chibana, 47, told the crowd at the concert in Yomitan he believed he could set foot on his land in Yomitan, site of the 236-square meter Sobe communications facility used by the U.S. military, whose lease expires midnight Sunday.

He told the protesters in Tokyo by telephone that he will enter the site with local children and pray for the war dead if he wins the return of his land.

The protesters later paraded through Tokyo streets, urging U.S. President Bill Clinton to remove the U.S. bases and advocating the abrogation of the Japan-U.S. security treaty.

Clinton is scheduled to make a state visit to Japan on April 16-18.

**Japan: Further on Protest Against U.S. Military Base at Sobe**

*OW3103125196 Tokyo KYODO in English  
1244 GMT 31 Mar 96*

[FBIS Transcribed Text] Naha, Japan, March 31 KYODO — The Japanese Government is set to become a lawbreaker by continuing to use a small plot of land for the U.S. military after the lease contract expires midnight Sunday [31 March].

Up to 1,500 police officers were mobilized around the Sobe communications facility in Yomitan, central Okinawa, which sits on an area that includes a 236-square-meter plot owned by Shoichi Chibana, a 47-year-old shop owner.

Some 1,000 antibase local landowners and their supporters braved rain to stage an outdoor concert near the communications facility in protest against the U.S. military presence.

Chibana, 47, told the crowd at the concert in Yomitan he believes he can set foot on his land in Yomitan, site of the Sobe communications facility used by the U.S. military, whose lease expires midnight Sunday.



Chibana said he will not renew the lease contract and will file a petition Monday morning demanding the government return his land and seeking a court order allowing him to enter the property.

He said he plans to visit the Sobe communications facility Monday afternoon to enter his property together with his family, saying that there is "no reason I can be prevented from setting foot on my own land."

In Tokyo, about 3,000 protesters gathered at downtown Hibiya park on Sunday, demanding the removal of U.S. bases from Japan.

The protesters later paraded through Tokyo streets, urging U.S. President Bill Clinton to remove the U.S. bases and advocating the abrogation of the Japan-U.S. security treaty.

Chibana told the protesters in Tokyo by telephone that he will enter the site with local children and pray for the war dead if he wins the return of his land within the Sobe communications facility, also known as "the elephant's cage."

Chief Cabinet Secretary Seiroku Kajiyama has made it clear that the government will not allow Chibana to enter the property, saying that the continued use of the land is not necessarily illegal.

"It's an obligation under the Japan-U.S. security treaty to supply land for U.S. military use and it is needed for national security," Kajiyama said in a statement Friday.

The government has already filed a request with the Okinawa prefectural compulsory expropriation committee to allow emergency use of Chibana's land for six months. Permission is not expected soon, however.

In 1977, the government faced a similar four-day "legal vacuum" over the use of land for the U.S. military but at that time the government allowed landowners to enter their property.

Chibana is one of some 3,000 local landowners opposed to leasing their land to the U.S. military but forced to sign lease contracts.

The latest legal wrangling came in the wake of Okinawa Gov. Masahide Ota's refusal to sign documents needed for the continued forced rental of land owned by local people to the U.S. military amid growing outcry among local residents over the U.S. military presence since the rape of a local schoolgirl in an incident last September for which three U.S. servicemen were convicted.

The Naha branch of the Fukuoka high court ordered Ota to sign the documents March 25, but Ota refused to obey the court order.

Under law, Prime Minister Ryutaro Hashimoto signed the documents on behalf of Ota on Thursday, but he has to await approval by the prefectural panel on compulsory expropriation, in a process that could take months.

The documents in question are for renewing leases for a total of 35,000 square meters of land, including Chibana's.

Okinawa accounts for only 0.6 percent of Japan's total area but about 75 percent of all Japanese land for U.S. military use is concentrated on the island, about 1,600 kilometers southwest of Tokyo.

#### **Japan: Antimilitary Rallies Planned for Clinton's Visit**

*OW3103143096 Naha RYUKYU SHIMPO  
in Japanese (Morning Edition) 31 Mar 96 p 3*

[FBIS Translated Text] Masao Arume, chairman of the "Joint Struggle Council Against Unconstitutionality" [Iken Kyoto Kaigi], which is an organization consisting of 17 groups including the Social Democratic Party [SDP] and Japan Communist Party [JCP] in Okinawa, held a news conference in Tokyo on the afternoon of 30 March and commented on the issue of the expiration of the lease on a plot of land inside the U.S. Navy's Sobe telecommunications facility (commonly called the Elephant Cage). Arume criticized the central government's handling of the issue, saying: "Barring the landowner from entry onto his plot after 1 April means a return to the days when Okinawa was under military occupation." He also called on the general public to participate in a rally on 15 April in Osaka and another one in Tokyo on 16 April to demand, among other things, the reduction and removal of military bases.

The rallies are being timed with U.S. President Bill Clinton's visit to Japan. The rally in Osaka will be held at Ogimachi Park in Kita-ku in Osaka City, and the Tokyo rally will be held in Yoyogi Park in Shibuya. Both rallies will start at 1800 hours local time. Antiwar landowners and mayors and other leaders from Okinawan municipalities where U.S. military bases are located are to explain the actual situation in Okinawa.

A symposium is also scheduled to be held at the Kanda Panse Hall [name as published] in Chiyoda-ku in Tokyo on the afternoon of 17 April.



### **Japan: Tokyo Roundtable Discusses Okinawa Base Issues**

*OW3103102796 Tokyo NHK General Television Network in Japanese 0000 GMT 31 Mar 96*

[FBIS Summary] Tokyo NHK General Television Network in Japanese at 0000 GMT on 31 March in its "Sunday Discussion" program carries a 59-minute roundtable discussion involving Hideo Usui, director general of the Defense Agency [DA]; Moriteru Arasaki, Okinawa University professor; Yukio Okamoto, international consultant; Kazuhisa Ogawa, military analyst; and Kent Calder, chief of Japan division at the research institute for international strategic issues who joins the program via satellite relay. The program is moderated by NHK commentator Takashi Yamamoto.

Yamamoto begins the discussion by asking Usui to comment on expiration of a lease for land used as military land at Sobe Communications Facility in Yomitan, Okinawa. Usui says Japan, under the Japan-U.S. Security Treaty, has an obligation to continuously provide U.S. forces with bases. He then says: "We signed lease contracts with landowners and have been legally using the land by paying rent for more than 20 years. As I said earlier, we also have the obligation under the Japan-U.S. Security Treaty and the Status of Forces Agreement." "For these reasons, we concluded that occupation of land is not illegal."

Asked if the expiration of the land lease will have some impact on Japan-U.S. security arrangements, Calder says that the situation should be approached from a long-term viewpoint and that the bases on Okinawa are of strategic importance for maintaining safety of sea lanes for Japan and its neighboring countries.

Usui says that the central government, which very well understands the sacrifices the people in Okinawa have been making for more than 50 years for peace and security in Japan, is trying its best to settle the Okinawan base issue.

Asked what he thinks of the recent remarks by the director general of the Defense Facilities Administration Agency [he said that the government will make a decision on whether or not a landowner, whose land lease expires on 31 March, will be allowed to enter his land while taking into consideration speeches and behavior done in the past], Usui says that Prime Minister Hashimoto told the director general that they were careless remarks. Usui then rules out the possibility of allowing the landowner to enter his land even after the lease expires.

Asked if something that would justify the fact that a fence was recently built around the communications

facility would happen, Arasaki says that building the fence "is an excessive reaction. The government needed to build the fence because there is an illegal occupation of the land."

On Japan-U.S. negotiation for reorganization and reduction of military bases, Arasaki says: "Okinawan people feel that no concrete progress has been made." "Not even a basic proposal has been made to change the fact that most of the facilities are used by the Marine Corps."

Asked if an agreement will be reached on return of USMC Air station Futenma when President Clinton comes to Japan, Usui says: "I have a feeling that it is difficult to do. The reason is as follows. There are 47,000 U.S. troops in Japan. Of which, 27,000 troops are in Okinawa; 1,700 of them are Marines. The fact is that the USMC, which is a mobile force, is the core of the U.S. military's presence in the Asia-Pacific region and Futenma is its base."

Ogawa says there is no reason for the U.S. and Japanese Governments to refuse relocation of the Futenma air station to other places, including the mainland. He says: "Officials, if they are specialists, can come up with many ideas of constructing facilities for the [Futenma] helicopter unit on Camp Hansen or Camp Schwab, which are bases for the ground forces of the USMC."

Yamamoto says the people of Okinawa may think that reconfirmation of the Japan-U.S. Security Agreement at forthcoming Hashimoto-Clinton summit will allow the military bases in Okinawa to take root. Usui says: "It is not a treaty need in terms of national defense alone. It is a core of the Japan-U.S. relations."

The discussion ends at 0059 GMT.

### **Japan: Conference on Okinawa Bases, Deregulation Reported**

*OW0104120696 (Internet) Japanese Ministry of Foreign Affairs WWW in English 29 Mar 96*

[News Conference by Japanese Ministry of Foreign Affairs spokesman Ken Shimanouchi with unidentified reporters on 29 March; place not given; from the "What's New!" link]

[FBIS Transcribed Text] [Topics of Discussion]

- I. The agreements reached on 28 March by the Japan-United States Special Action Committee on Facilities and Areas in Okinawa (SACO)
- II. Revision of Japan's Deregulation Action Program
- III. Telecommunications deregulation
- IV. The position of Japan regarding nuclear deterrence
- V. Matters regarding Okinawan concern over Futenma Air Station



VI. Matters involving the land lease contract for Sobe Communications Base

VII. Anti-monopoly measures in the telecommunications industry

VIII. Recent efforts to extradite a Japanese national held in the Kingdom of Thailand on charges of hijacking

IX. Matters regarding travel for Minister for Foreign Affairs Yukihiko Ikeda

X. Progress made in the course of implementing the Deregulation Action Program

XI. Possibility of a future visit to Japan by newly-elected Prime Minister John Howard of Australia

#### **I. The Agreements Reached on 28 March by the Japan-United States Special Action Committee on Facilities and Areas in Okinawa (SACO)**

Foreign Ministry Spokesman Ken Shimanouchi: Good afternoon, ladies and gentlemen. As you know, the Special Action Committee on Facilities and Areas in Okinawa (SACO) is now undertaking two types of tasks. One is to address various issues related to the Status of Forces Agreement (SOFA). The other is to address the issue of realignment, consolidation, and downsizing of bases in Okinawa. The agreements reached yesterday fall into the first category, that is to say, issues related to the Status of Forces Agreement. There were three agreements — two agreements regarding noise abatement countermeasures for Futenma Air Base and the Kadena Airfield, and a third agreement concerning identification tags for official United States military vehicles in transit on the public thoroughfares of Okinawa. With regard to the Noise Abatement Countermeasures Agreement for the two bases, let me correct myself. The official name for Kadena is Kadena Air Base, and the official name for Futenma is Futenma Air Station. Let me give you just two salient features of these agreements. The two agreements establish countermeasures comparable to those in place at the Atsugi Naval Air Facility in Kanagawa Prefecture, and at Yokota Air Base in Tokyo. The agreements also include consideration for days that carry special significance, such as Memorial Day in Okinawa — 23 June. That is the day that the Battle of Okinawa ended. The agreements contain a lot of detail, but just let me give you one example. Night flights between 22:00 and 06:00 will be restricted to those essential to the operation of United States forces. Also, under the agreements, commanders will have the responsibility to continue to review any ways to reduce aircraft noise. Regarding the agreement on vehicle markings, basically, it requires that all United States forces official vehicles display both front and back number plates when using public or private Japanese roads outside the bases. This agreement also spells out the size of the tags, and other specifics.

#### **II. Revision of Japan's Deregulation Action Program**

Foreign Ministry Spokesman Ken Shimanouchi: The revision of Japan's Deregulation Action Program was announced this morning by the Japanese Government. As you know, the Japanese Government gives highest priority to deregulation. There have been requests for deregulation from overseas, but the significance of deregulation does not stop there. It is essential for reactivating Japan's economy. Let me give you a little bit of background about this Action Program, although, I believe that those of you who were here in Japan about this time last year already know about it. Last year, the Japanese Government announced its Deregulation Action Program. It was originally announced as a five year plan, but subsequently shortened to three years. At the time of the initial announcement, it was clearly stated that the Program would be reviewed and revised each year. The decision reached this morning pertains to the first revision of the Three Year Plan. The review and revision over the past year has been carried out basically in two tracks.

The first track is the Administrative Reform Committee track. The Administrative Reform Committee is an independent third-party watchdog created by legislation. Most of its work is accomplished by the members of a subcommittee within it. This subcommittee has twelve members. They are all private citizens, including representatives of foreign companies. Last December, the Administrative Reform Committee put together and submitted its recommendation to then Prime Minister Tomiichi Murayama. Since then, the Government has been looking at the recommendations of the Committee. We have been trying to translate these recommendations into actual deregulation policy. That is the first track. The second track is the review and revision carried out by the Government itself. To carry out these tasks, an Administrative Reform Headquarters was established. It is headed by the Prime Minister himself. The Headquarters held two two-day hearings: one in December, and the second in February. Also, the Government solicited views from interested parties, both foreign and domestic, and both public and private. For your information, the United States Government provided submissions, as did the EU Commission. Also, from the private sector, the American Chamber of Commerce in Japan presented its submission. Other countries — Canada and Australia — also provided submissions. From the Japanese private sector, the Japanese Federation of Economic Organizations (Keidanren) submitted a very lengthy list to the Government. One more point, before I go into the specifics — this is a continuing process. We are at the end of the first year, and this process will go on for



two more years. Basically, the process next year will be very much like the process that has been pursued in the past year. The only difference is that since the Administrative Reform Committee has already made its recommendation, the Committee will also be monitoring the development of deregulation activities by the Government. So, the Administrative Reform Committee, from the second year on, will have a two-fold role. The first is to monitor the deregulation efforts of the Government, and the second is to come up with further recommendations regarding deregulation. You have before you a document titled, Salient Points of Japan's Deregulation Action Program. The full text is not yet available. We hope that can be made available to you before the end of the day, but it is 230 pages long. This document here is not a very short document, itself, either. It has 19 pages with two attachments, so I will not be going over all the points listed in the document. Let me just mention two items which have drawn considerable attention and interest here in Japan and overseas. The first is on page three of the document — construction and construction materials. As you may recall, when Prime Minister Hashimoto visited Santa Monica in February, he told President William Clinton of the United States of America about his initiative for reducing housing construction cost. Under the instruction of the Prime Minister, the Emergency Priority Program for Reducing Housing Construction Cost was announced. The unique feature of this program is that it focuses on a specific sector — housing — and brings together a broad range of approaches and techniques, which we believe will be conducive to slashing the cost of housing. Let me give you two examples of such techniques or approaches. One is the shift from prescriptive regulation, which is being currently employed, to performance-based regulation. We believe that this will be conducive to more imports of housing materials from overseas. Another aspect is that the mutual recognition of building codes and international alignment of Japan Industrial Standards (JIS), and other standards, will be promoted. This will stimulate the acceptance of foreign building materials in Japan. There is a long list of other measures mentioned in this document, as well as in the attachment.

### III. Telecommunications Deregulation

Foreign Ministry Spokesman Ken Shimanouchi: One important aspect of the telecommunications package is the amendment of the Telecommunications Business Law. To be more specific, Article X will be abolished in the course of FY1996. As this document says, this article concerns the prevention of excess facilities, and the adjustment of supply and demand, so as to ensure further transparency for the new entry of type-one

telecommunications carriers. This has been seen by businessmen in Japan and overseas as sort of a symbol of government intervention in the market, although this measure has already been rendered obsolete by a change in circumstances. So, we will be deleting this article from the Telecommunications Business Law. Another aspect is ensuring transparency in terms and conditions of interconnection. Specific measures to this end will be devised by the end of 1996. As you know, NTT monopolizes the local networks in Japan. It is against this background that these measures are being contemplated. Another item worth measuring may be the shift from an authorization system to a prior notification system on rates charged for mobile communications. I think this will be in the interest of all of us here. Those are the announcements that I wanted to make, and I will be delighted to respond to any questions that you might have.

### IV. The Position of Japan Regarding Nuclear Deterrence

Q: Can you please comment on the latest United States defense paper, especially the part that says that the United States must maintain a highly effective nuclear force as a deterrent?

A: I have not seen the text of the paper yet, so I cannot comment on the paper itself. However, as you know, Japan is of the position that it should work for a world that is free from nuclear weapons. That is to say, we should work for the ultimate elimination of nuclear weapons. We are making realistic efforts in Geneva and elsewhere in order to bring this about. At the same time, we believe that military power, including nuclear deterrence, plays an important role in maintaining peace and stability in the world. We fully recognize that Japan itself depends on the United States nuclear deterrence to maintain its security.

### V. Matters Regarding Okinawan Concern Over Futenma Air Station

Q: You have just announced noise reduction agreements, etc., concerning Okinawa. The point on the side of the Okinawa people is they want Futenma Air Station to be moved elsewhere — at least a portion of the function. What is the situation here? And, my second question is, what else do you expect the two countries can reach an agreement on concerning the realignment of Okinawa bases before President Clinton's visit next month.

A: Regarding Futenma, we are fully aware of the desires and wishes of the people of Okinawa, particularly regarding the return of Futenma Air Station. It is one of their highest priorities. But, at the same time, we



have to recognize that the Futenma Air Station plays an extremely important role in the operation of United States forces in Japan. So, we believe that this issue of the reversion of Futenma Air Station needs to be dealt with very carefully. As you are well aware, the Special Action Committee on Areas and Facilities in Okinawa (SACO), which I mentioned in my first announcement, is now conducting a comprehensive review of the situation related to United States bases in Okinawa. It is now in the process of identifying and sorting out the problems related to each base — a process which will continue. When the SACO was established in November last year, both governments announced that they would try to reach a conclusion on the question of realignment, consolidation, and downsizing of bases within a year. So, the target is November this year. President Clinton's visit to Japan next month will be a very important phase of the process, so we will be trying to make as much progress as possible by then. But, I have to repeat that this is basically a one-year process. I think that answers your second question as well.

#### **VI. Matters Involving the Land Lease Contract for Sobe Communications Base**

**Q:** The land lease contract covering part of the Sobe Communications Base is expiring on Sunday. Now, apparently, the Government thinks it is not illegal that the contract has expired. Do you think that the situation can be rectified before President Clinton's visit?

**A:** As you said, we do not think an illegal situation will be in effect after 31 March, although we cannot deny the fact that there is a dispute between the land owner and the Government. The reason we think that the occupation of this plot of land by the Government will not be illegal is as follows. We have been occupying and using this plot of land, lawfully, for 20 years, in accordance with a lease contract with the landlord. It is an obligation under the Security Treaty that we continue to provide this land for the use of United States forces. Not only that, the use of this plot of land by the United States forces is necessary from the perspective of the peace and security of Japan, and of the Far East. The third reason is, we are currently making efforts, in accordance with the relevant legislation, to obtain the right to use the land. Fourthly, we have taken measures to provide amounts of money to the land owner equivalent to the rent, so that he will not suffer monetary damages. We will be applying to the Land Expropriations Committee of Okinawa for permission to use the land on an emergency basis. The Land Expropriation Committee is an independent organ. It is up to the Committee as to when and what to decide. I cannot speculate on the timing of the decision by the

Committee. Although, of course, it is the Government's hope that this issue will be settled as soon as possible.

**Q:** By saying "as soon as possible," you mean by before President Clinton's visit, right?

**A:** Yes, that would be extremely desirable, of course.

#### **VII. Anti-Monopoly Measures in the Telecommunications Industry**

**Q:** You talked about the Deregulation Action Program. Could you say what made the decision of the breakup of NTT? It seems to be sort of deregulation.

**A:** I have to make a confession. I am not an expert in the area of telecommunications. My understanding is that a consensus was not reached on this matter. It is still being discussed. But, we can arrange a briefing by an expert from the Ministry of Post and Telecommunications to fill you in on this matter if you are interested.

**Q:** Yes, thank you.

#### **VIII. Recent Efforts To Extradite a Japanese National Held in the Kingdom of Thailand on Charges of Hijacking**

**Q:** There have been reports of a former member of the Japanese Red Army caught in Thailand on charges of hijacking. Could you update us on the situation now?

**A:** Regarding the hijacking of the Japan Airlines plane that took place in 1970. This man, detained by police in the Kingdom of Thailand, has been confirmed as Yoshizo Tanaka, who is a suspect in the hijacking incident. We will be seeking consultations with the authorities of Thailand to obtain his extradition. That is all I have at this moment.

#### **IX. Matters Regarding Travel for Minister of Foreign Affairs Yukihiko Ikeda**

**Q:** Does Foreign Minister Ikeda have any plans to visit India this year?

**A:** No decision has been made regarding his future travel plans to any country.

#### **X. Progress Made in the Course of Implementing the Deregulation Action Program**

**Q:** On the anniversary of this Deregulation Action Program, can you tell us how many of the 1,700+ points to be deregulated from last year have been achieved?

**A:** That is not an easy question to answer. I do not even know if the foremost expert in this ministry can answer that question. You have to look at each item one-by-one. It is very difficult to generalize.



Q: I suppose, then, I should ask if you are making progress?

A: I can give you a breakdown of the 1,700+ items: 550 are brand new; 400 were included in the previous package, but have been announced in more concrete form this time; around 700 are confirmations of things that we said would be done in this current fiscal year.

Q: So, what is the total?

A: I do not have the exact figures, because I have not had the opportunity to look at the final document. Once we have the final report, I can count the number of items and tell you.

Q: Thank you.

#### **XI. Possibility of a Future Visit to Japan by Newly-Elected Prime Minister John Howard of Australia**

Q: There is a new government in Australia. I am just wondering if the Japanese Government has made any moves to invite the new Prime Minister to come to this country?

A: I am not aware of specific plans to extend an invitation to newly-elected Prime Minister John Howard of Australia. But, I can say in very general terms, that his visit to Japan would be very much welcomed. Australia, as you know, is a very close friend of Japan. Thank you very much.

#### **Japan: Murayama Urges Return of MCAS Futenma Site 'by 2001'**

*OW3003062796 Naha OKINAWA TIMES (Morning Edition) in Japanese 30 Mar 96 p 3*

[FBIS Translated Text] Tomiichi Murayama, chairman of the Social Democratic Party (SDP), visited the Prime Minister's Official Residence on the afternoon of 29 March and held a meeting with Prime Minister Ryutaro Hashimoto to discuss the issue of U.S. military bases on Okinawa. Murayama said: "The Okinawan people hold high expectations for the return (of U.S. Marine Corps Air Station [MCAS], Futenma). I would like for you to hold discussions (at the Japan-U.S. summit) so that prospects will be bright for the future." In this way, Murayama urged Hashimoto to step up efforts to help reduce military bases, including the complete return of MCAS Futenma by 2001.

Hashimoto merely replied: "Although there are some difficult problems that cannot be resolved right away, I understand your thinking and intentions. We would like to pour every effort into it, by all means."

#### **Japan: PRC Foreign Minister Arrives in Tokyo for Visit**

*OW3103053596 Tokyo KYODO in English 0532 GMT 31 Mar 96*

[FBIS Transcribed Text] Tokyo, March 31 KYODO — Chinese Vice Premier and Foreign Minister Qian Qichen arrived in Tokyo on Sunday [31 March] for an official four-day visit.

It is Qian's first trip to Japan since May 1993.

Qian will have five hours of talks, including a dinner, with his Japanese counterpart Yukihiko Ikeda later in the day.

High on the agenda is expected to be the situation in the Taiwan Strait. Tensions there mounted after China conducted missile tests and military exercises near Taiwan before Taiwan's March 23 first direct presidential poll, in which president Li Teng-hui was reelected in a landslide victory.

Qian will meet with Prime Minister Ryutaro Hashimoto on Monday. He will also meet Ichiro Ozawa, leader of the main opposition Shinshinto (New Frontier Party), Tomiichi Murayama, former prime minister and leader of the Social Democratic Party, and business leaders.

#### **Japan: Qian Opposes Tokyo's 'Massive' Loan Suspension Threat**

*OW3103154896 Tokyo KYODO in English 1541 GMT 31 Mar 96*

[FBIS Transcribed Text] Tokyo, March 31 KYODO — Chinese Foreign Minister Qian Qichen expressed clear-cut opposition Sunday [31 March] to Japan's threat to suspend massive soft loans to China in connection with his country's refusal to halt nuclear testing.

In a meeting with his Japanese counterpart Yukihiko Ikeda, he repeated Beijing's oft-stated hope that the proposed Comprehensive Test Ban Treaty (CTBT) will be concluded and signed by the end of this year, said a Japanese Foreign Ministry official who briefed reporters.

Qian, who arrived in Tokyo earlier Sunday for a four-day official visit, also reiterated that China has vowed never to be the first to use nuclear weapons or to use them against nonnuclear nations, the official said.

While showing understanding of Japan's call for China to halt its nuclear testing program, Qian also said, "we are opposed to the idea being floated in Japan of linking this issue to economic cooperation."

Qian, who doubles as Chinese deputy premier, was referring to growing calls within Japan's ruling coalition



to suspend the payment of a loan package worth 580 billion yen for fiscal 1996-1998 as an expression of protest against China's nuclear policy and its recent military drills near Taiwan.

In his third meeting with Qian since taking up the foreign ministerial post in January, Ikeda did not make a clear response to Beijing's opposition to Tokyo's possible linkage of economic aid with China's diplomacy, the official said.

Instead, he reiterated Japan's call for the standoff between China and Taiwan to be resolved through dialogue and in a peaceful manner.

"We hope China will try to resolve the issue through dialogue in line with its peaceful reunification policy," Ikeda was quoted as telling Qian.

He also criticized China over its recent series of military maneuvers in the Taiwan strait and expressed hope China and Taiwan will strive to defuse tensions in the strait through direct talks.

China ended the series of missile and live-fire exercises near Taiwan after failing to scare Taiwanese voters away from president Li Teng-hui in the March 23 presidential election, the island's first ever under universal suffrage.

Li, who is suspected by Beijing of edging Taiwan toward outright independence and away from reunification, took a healthy 54 percent of the vote, succeeding in his bid for a second four-year term in office.

Qian said Taiwan is an integral part of Chinese territory and noted that there is no change in China's avowed policy of maintaining "one country, two systems" even after peaceful reunification, the official said.

The two countries also agreed to hold unofficial talks on fishing rights and other issues in Tokyo on April 9 in connection with both sides' planned ratification of the U.N. Convention on the Law of the Sea.

During the meeting, Ikeda pledged Japan's renewed support for China's early entry into the World Trade Organization (WTO), the global trade watchdog that replaced the General Agreement on Tariffs and Trade in January 1995.

While thanking Ikeda for Tokyo's consistent support, Qian said the WTO needs China as a full member and added Beijing will do its utmost to adjust its business practices to international norms.

China will trim the average tariff on 4,962 items or two-thirds of all imports subject to tariffs from about 35 percent to 23 percent effective Monday in a bid to join the Geneva-based WTO.

Ikeda and Qian also reaffirmed the importance of facing up to history and cementing bilateral relations further, according to the official.

They also compared notes on such topics as disposal of chemical weapons left behind in northeastern China by the Japanese imperial army after World War II, the ASEAN regional forum and the situations in Russia, the Korean peninsula and Hong Kong, officials said.

The current Japanese and Chinese foreign ministers met twice before — once in Phuket, Thailand in February and again in Bangkok earlier this month.

# **Japan: PRC's Qian 'Chided' by Ikeda on Military Exercises**

OW3103121396 Tokyo KYODO in English  
1156 GMT 31 Mar 96

[FBIS Transcribed Text] Tokyo, March 31 KYODO — Foreign Minister Yukihiko Ikeda on Sunday [31 March] reiterated Japan's call for peaceful resolution of the China-Taiwan row through dialogue.

"We hope China will try to resolve the issue through dialogue in line with its peaceful reunification policy," Foreign Ministry officials quoted Ikeda as saying in a meeting with his Chinese counterpart Qian Qichen.

In his third encounter with Qian, who arrived in Japan earlier in the day for a four-day official visit, Ikeda also chided Beijing for its recent saber-rattling intended to intimidate Taiwan before and after the March 23 presidential election on the island, the officials said.

Despite China's military exercises near Taiwan, which Beijing regards as a rebel province, president Li Teng-hui won an overwhelming victory in his reelection bid in the poll.

Qian replied that Taiwan is an integral part of Chinese territory and noted that there is no change in China's avowed policy of maintaining "one country, two systems" even after peaceful reunification.

Ikeda also pressed China not to carry out any more nuclear test blasts and pointed to the need for an early conclusion of the proposed Comprehensive Test Ban Treaty (CTBT), which aims at halting all underground nuclear testing, the officials said.

He also said China's contention that small-scale nuclear explosions for peaceful purposes should not be banned has not won international support.

Qian replied that China is the only country that has vowed not to be the first to use nuclear arms, adding Beijing has actively taken part in negotiations for the



CTBT in the hope that the proposed nuclear pact will be signed by the end of this year.

Meanwhile, the two men agreed to hold unofficial talks on fishing rights in Tokyo on April 9 in connection with both sides' planned ratification of the U.N. convention on the Law of the Sea.

Ikeda and Qian also reaffirmed the importance of facing up to history and cementing bilateral relations further, according to the officials.

They also exchanged views on such topics as disposal of chemical weapons left behind by former Japanese troops in China, the ASEAN regional forum and the situations in Russia, the Korean peninsula and Hong Kong, the officials said.

The current Japanese and Chinese foreign ministers met twice before — once in Phuket, Thailand in February and again in Bangkok earlier this month.

#### **Japan: Qian Warns Japan, U.S. Against Taiwan 'Interference'**

*OW0104043296 Tokyo KYODO in English  
0417 GMT 1 Apr 96*

[FBIS Transcribed Text] Tokyo, April 1 KYODO —  
- Visiting Chinese Foreign Minister Qian Qichen on Monday [1 April] cautioned implicitly against any move by Japan and the United States toward interfering in Beijing's relationship with Taipei just a week after China ended saber rattling aimed at dampening pro-independence sentiment in Taiwan.

Qian told Prime Minister Ryutaro Hashimoto during their meeting at the premier's office that he hopes the upcoming Japan-U.S. summit will not bring any "new problems" to China, government officials said.

The statement was understood as China's veiled warning against moves toward strengthening Japan-U.S. security arrangements as well as possible interference by the two countries in China-Taiwan relations, political analysts said.

Hashimoto replied that his upcoming talks with U.S. President Bill Clinton will not harm ties between Japan and China, the officials said.

Clinton is scheduled to arrive in Japan on April 16 for a three-day official visit.

Concerning Taiwan, Qian reiterated Beijing's policy of maintaining "one country, two systems" after peaceful reunification, the officials said.

Qian, who arrived in Tokyo on Sunday for a four-day official visit, also said if foreign countries support

Taiwan's independence, it would make the situation more difficult, they said.

Tensions between Taiwan and Mainland China have mounted over Beijing's recent series of military maneuvers in the Taiwan Strait, believed to have been aimed at scaring Taiwanese voters away from President Lee Teng-hui [Li Teng-hui] in the March 23 presidential election.

Lee, who is suspected by Beijing of edging Taiwan toward independence and away from reunification, took a healthy 54 percent of the vote, succeeding in his bid for a second four-year term in office.

#### **Japan: Security Alliance With U.S. Not To 'Counter' PRC**

*OW0104093496 Tokyo KYODO in English  
0907 GMT 1 Apr 96*

[FBIS Transcribed Text] Tokyo, April 1 KYODO —  
- The security alliance between Japan and the United States is not intended to counter a potential threat from China but to maintain stability in east Asia, a senior Foreign Ministry official said Monday [1 April].

"The security treaty is not designed to target China at all. It is for Japan-U.S. defense and for the stability of this region. There is nothing to be concerned about," Vice Foreign Minister Sadayuki Hayashi told a news conference.

The remarks came in response to visiting Chinese Foreign Minister Qian Qichen's demand that the planned redefinition of the Japan-U.S. security regime not affect China.

Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton in their summit scheduled for April 17 are expected to reaffirm the importance of the bilateral security alliance.

Hayashi, the top bureaucrat at the ministry, said the notion that the security pact is not targeted at any particular country has been the government's consistent stance.

#### **Japan: PRC's Qian Rejects 'Call To Resume Talks' With Taiwan**

*OW0104072196 Tokyo KYODO in English  
0657 GMT 1 Apr 96*

[FBIS Transcribed Text] Tokyo, April 1 KYODO —  
- Visiting Chinese Foreign Minister Qian Qichen on Monday [1 April] rejected a call to resume talks with Taiwan, saying that the time is not ripe for such a move.

"The situation has not yet come to the point where talks can be promoted," Qian told former Japanese Foreign



Minister Yobei Kono of the Liberal Democratic Party (LDP), the major partner in Japan's ruling tripartite coalition, which also includes the Social Democratic Party (SDP) and New Party Sakigake [Harbinger].

Kono urged China to reopen talks with Taiwan, ruptured in the wake of Taiwan President Li Teng-hui's visit to the United States last June, in order to defuse bilateral tensions, party officials said.

Kono also told Qian that China's recent military exercises and missile tests near Taiwan triggered "strong criticism (of China) within the LDP" and an increasing call for retaliatory measures such as suspending Japanese yen loans to China.

In talks with New Sakigake leader Masayoshi Takemura, Qian warned against Japanese interference in China-Taiwan relations, echoing opinions he voiced in a meeting with Prime Minister Ryutaro Hashimoto earlier in the day.

"Sino-Japanese relations become occasionally troubled in connection with the Taiwan issue and the acknowledgement of our bilateral history," Qian said.

Takemura, while reiterating that Japan will stick to the "one China principle" which stipulates that Taiwan is an inalienable part of China, also demanded that China immediately halt all nuclear testing.

But Qian only reiterated Beijing's long-held stance that China will not stage a preemptive nuclear attack and "does not consider at all directing its nuclear weapons against Japan."

Qian arrived in Tokyo on Sunday for a four-day official visit.

Tensions between Taiwan and Mainland China have mounted over Beijing's recent series of military maneuvers in the Taiwan Strait, believed to have been aimed at intimidating Taiwanese voters away from Li in the March 23 presidential election.

Li, who is suspected by Beijing of edging Taiwan toward independence and away from reunification, nonetheless took a healthy 54 percent of the vote, becoming the island's first popularly elected leader.

**Japan: Ozawa Considers CPC Invitation To Visit Beijing**

*OW0104042496 Tokyo KYODO in English  
0400 GMT 1 Apr 96*

[FBIS Transcribed Text] Tokyo, April 1 KYODO — Opposition leader Ichiro Ozawa told visiting Chinese Foreign Minister Qian Qichen on Monday [1 April] that he is considering visiting Beijing in early May at

the invitation of the Communist Party of China [CPC], Ozawa's aides said.

Ozawa met with Qian at the headquarters of the main opposition party Shinshinto (New Frontier Party), the officials said.

Ozawa voiced support for China's insistence that the Taiwan issue is an internal affair to be resolved without interference by outside forces.

"As long as both Beijing and Taipei assert that there is only one China, this is an internal issue and it may well be resolved internally," he was quoted as telling Qian.

Qian arrived Sunday for a four-day visit for talks with Japanese Government leaders, chiefly for the purpose of winning Tokyo's understanding of Beijing's Taiwan policy.

**Japan: Kubo, Qian Agree To Deepen Bilateral Economic Ties**

*OW0104112396 Tokyo KYODO in English  
1046 GMT 1 Apr 96*

[FBIS Transcribed Text] Tokyo, April 1 KYODO — Chinese Foreign Minister Qian Qichen and Japanese Finance Minister Wataru Kubo agreed Monday [1 April] to deepen bilateral economic relations, Japanese Finance Ministry officials said.

Kubo told Qian, who was paying a courtesy visit, that the stabilization and development of economic relations between the two countries are important for economic growth not only in Asia, but all over the world, the officials said.

Agreeing with Kubo, Qian confirmed Beijing's further cooperation through the Asia-Pacific Economic Cooperation (APEC) forum and the Asia-Europe Meeting (ASEM), they said.

Kubo was quoted as telling Qian, "let's demonstrate our leadership."

**Japan: Kubo, Qian To Cooperate on Asia-Europe Customs Talks**

*OW0104115896 Tokyo KYODO in English  
1140 GMT 1 Apr 96*

[FBIS Transcribed Text] Tokyo, April 1 KYODO — Japan and China agreed Monday [1 April] to cooperate in realizing a meeting of top customs officials from Asia and Europe as a step toward deeper economic ties between the two regions, Japanese Finance Ministry officials said.



The agreement came when Finance Minister Wataru Kubo met visiting Chinese Foreign Minister Qian Qichen in Tokyo, the officials said.

When Asian and European leaders got together in Thailand in March, Japan proposed the meeting of customs chiefs to facilitate customs clearance procedures and exchange information on drug trafficking and other problems.

Kubo and Qian also agreed Japan and China should deepen their economic relations and promote trade and investment liberalization through the Asia-Europe Meeting (ASEM), they said.

#### **Japan: Delegation Reports on DPRK Visit, Cites Problems**

*OW0104063196 Tokyo NIHON KEIZAI SHIMBUN (Morning Edition) in Japanese 31 Mar 96 p 5*

[By Norimichi Izumi]

[FBIS Translated Text] Beijing, 30 March — A group of researchers led by Shinya Nagai, acting chief of the Japan Institute of International Affairs — a foundation — held a news conference in Beijing at the Japanese embassy in China on the evening of 30 March, following its visit to the DPRK (North Korea). The members disclosed that North Korean researchers stated that "the domestic situation is politically stable but the country is faced with many economic difficulties." In this way, they disclosed that the researchers had admitted to the country's serious economic situation. Moreover, they quoted North Korean military leaders as saying that the military situation on the Korean peninsula has become tense, and that Secretary Kim Chong-il recently inspected the frontline on three occasions.

The group led by Nagai visited North Korea from 23 March for academic exchanges with senior members of North Korea's Disarmament and Peace Institute, and left Pyongyang for Beijing on 30 March.

Nagai and other members, including Masao Okonogi, who is a professor of Keio University, and Yukiko Fukagawa, who is a chief researcher of the Chogin Research Institute, said "we did not feel any particular tension in Pyongyang but power was cut off many times." On 29 March, North Korea announced a statement that "the state of cease-fire has reached its limits." Concerning this statement, the group said they had been given an advance briefing in Pyongyang.

#### **Japan: MOFA Official Comments on DPRK Normalization Talks**

*OW3003062196 Tokyo YOMIURI SHIMBUN (Morning Edition) in Japanese 29 Mar 96 p 2*

[FBIS Translated Text] On 28 March, a top official at the Ministry of Foreign Affairs [MOFA] commented on Japan-DPRK (North Korea) diplomatic normalizations talks, the resumption of which the Japanese Government has been seeking. He said: "The general election in the ROK (on 11 April) will mark a turning point." The official thus indicated that the possibility of resuming the talks will further increase after the ROK general election. He has determined that if the political turmoil in the ROK should subside, coordination between the Japanese and ROK Governments — which is essential to the normalization of diplomatic relations between Japan and the DPRK — would become possible.

#### **Japan: Grant Worth 2.1 Billion Yen Signed With Palestine**

*OW3103143496 Tokyo KYODO in English 1417 GMT 31 Mar 96*

[FBIS Transcribed Text] Gaza, March 31 KYODO — Japan signed documents Sunday [31 March] directly providing Palestine with a grant-in-aid of 2.1 billion yen for the autonomous government's health and educational programs, officials said.

Japanese ambassador to Israel Haruhiko Shibuya signed the agreement at a ceremony in Gaza on behalf of the Japanese government, which channeled some 200 million dollars to the Palestinians through U.N. agencies between 1993 and 1995.

After the January elections, in which Yasir 'Arafat won an overwhelming victory to become the first democratically elected leader of the Palestinian people, Japan decided to directly offer financial aid to Palestine.

Shibuya said after the signing ceremony that Japan plans to do its best to assist Palestine financially.

#### **Japan: Ex-Red Army Faction Suspect's Custody Asked of Bangkok**

*OW3103032696 Tokyo KYODO in English 0316 GMT 31 Mar 96*

[FBIS Transcribed Text] Bangkok, March 31 KYODO — Japan has asked Thailand to hand over a man believed to be a former Japanese Red Army Faction member who is being held in Thailand on counterfeiting charges, according to sources at the Japanese Embassy here.



Tokyo police used fingerprints provided by Thailand to identify the man as Yoshimi Tanaka, 47, a former member of Japan's Red Army Faction who has been on an international wanted list for his alleged part in hijacking a Japanese jetliner to North Korea in 1970.

The suspect was detained last Sunday attempting to cross from Cambodia into Vietnam in a North Korean embassy car. He was carrying a North Korean diplomatic passport and 30,000 U.S. dollars in cash.

The suspect was transferred to Bangkok on Tuesday and a day later moved to the Thai resort of Pattaya where he was arrested Thursday on suspicion of using counterfeit U.S. dollars in Pattaya.

He was transferred back to Bangkok late Thursday for security reasons.

An arrested suspect may be held initially for a week in Thailand.

The sources said that if an extension of the period of detention is not granted by the Chulburi Province Court in which Pattaya is situated, the suspect may be handed over to Japan or the United States.

The suspect and his alleged accomplices are suspected of using extremely finely wrought counterfeit U.S. 100-dollar bills known as "Super K," which are widely found in the Southeast Asian region.

The man is believed to have been working as an agent for North Korea, raising suspicions that Pyongyang is involved in the organized counterfeiting of U.S. dollars.

In addition to the man believed to be Tanaka, Thai police have arrested five Thais and are also looking for two other foreigners, one of whom uses the name of Tan Toh Hock, and the other the Japanese name of Shogo Kodama.

The sources said that the suspect was questioned in relation to the counterfeiting case in Cambodia in early February, but could not be arrested because of a lack of evidence.

**Japan: Hashimoto Rejects Opposition's Call in 'Jusen' Issue**

OW0104112796 Tokyo KYODO in English  
1043 GMT 1 Apr 96

[FBIS Transcribed Text] Tokyo, April 1 KYODO -- Prime Minister Ryutaro Hashimoto rejected Monday [1 April] the opposition's renewed demands that the government drop from the 1996 budget the use of 685 billion yen in tax money for liquidating seven moribund mortgage firms or "jusen."

"We consider the scheme, mapped out after intense negotiations among the parties concerned, as the most appropriate measure under the current circumstances," Hashimoto told the house of representatives budget committee.

Hashimoto made the comment in response to a question by Takeshi Noda, a lawmaker from the main opposition Shinshinto (New Frontier Party), as the lower house panel resumed debate over the 75.1 trillion yen draft budget after a one-month deadlock caused by a Shinshinto sit-in in the Diet in protest against the government scheme.

Shinshinto ended last week the sit-in outside the entrance to the budget committee room after the ruling coalition promised not to force a vote on the budget in the panel or a full session of the lower house.

Because of the budget debate stalemate, the Diet passed a stopgap budget to keep the government running for 50 days starting April 1 last week, the first stopgap budget in two years.

**Japan: Hashimoto Praises 'Jusen' Liquidation Plan**

OW3003123096 Tokyo KYODO in English  
1058 GMT 30 Mar 96

[FBIS Transcribed Text] Kanazawa, Japan, March 30 KYODO -- Prime Minister Ryutaro Hashimoto said Saturday [30 March] he believes a government-brokered plan to use taxpayers' money to help liquidate seven moribund housing loan companies is "the best way" to resolve the issue.

"As the person in charge of the government, I have chosen the best way. I believe one day it can get understanding from the public," Hashimoto said in his speech before members of a Liberal Democratic Party (LDP) chapter in Ishikawa Prefecture, on the Sea of Japan coast.

Hashimoto is president of the LDP, the largest bloc in the three-party ruling coalition. The two others are the Social Democratic Party and New Party Sakigake.

The jusen scheme, which will use at least 685 billion yen in taxpayers' money for the insolvent mortgage companies, caused a 22-day Diet standoff that began March 4 between the ruling coalition and the major opposition Shinshinto (New Frontier Party).

The opposition had demanded the outlay be dropped from the draft national budget for fiscal 1996, which starts April 1.

Diet discussions resumed Tuesday after leaders of ruling and opposition parties agreed the day before to end the



three-week-old stalemate and resume Diet debate over the 75.1 trillion yen draft budget.

But the 22-day blockade of the House of Representatives' Budget Committee room by Shinshinto forced the government to compile an 11.6 trillion yen stopgap budget for this fiscal year to keep the government going for 50 days until May 20 in the absence of a full budget.

The Diet enacted the stopgap budget Friday.

Deliberations on the full-fledged draft state budget will resume April 1.

Hashimoto said he hoped to see early enactment of the state budget, saying it is necessary to stabilize the economic recovery.

#### **Japan: Sakura Bank Announces Liquidation of Taiheiyo Bank**

*OW2903161996 Tokyo KYODO in English  
1541 GMT 29 Mar 96*

[FBIS Transcribed Text] Tokyo, March 29 KYODO — Sakura Bank announced late Friday night [29 March] that it and three other banks agreed to liquidate ailing Taiheiyo Bank and instead establish a new bank to take over its operations.

Sakura Vice President Yasuyuki Watanabe told a news conference that Sakura and the three others — Fuji, Tokai and Sanwa Banks — worked out Taiheiyo's liquidation plan at the request of the Finance Ministry and the Bank of Japan.

In a statement issued following the announcement of the accord, Finance Minister Wataru Kubo said it is regrettable to see financial institutions fail one after another.

But Taiheiyo's liquidation is desirable in view of protecting depositors.

Kubo called for depositors at Taiheiyo to behave with common sense.

Sakura's Watanabe said the capital of the new bank will be put up by the four banks and they have no plan to seek contributions from other banks.

Taiheiyo will continue ordinary business until the new bank is created, he said.

A senior Bank of Japan official said Taiheiyo's net liabilities amounted to 130 billion yen, with irrecoverable loans totaling 170 billion yen.

Industry sources said Sakura and the three other banks are expected to ask for about 70 billion yen in financial support from Deposit Insurance Corp., the nation's depositor protection body.

All deposits at Taiheiyo will be protected by transferring them to the new bank, they said.

Taiheiyo's business conditions took a turn for the worse in the late 1980s in the wake of its excessive financing to real estate developer Mogami Kusan.

Nearly 100 billion yen in bad loans to Mogami Kusan has been transferred to Chiyoda Factoring, a subsidiary set up in 1989 to recover the loans.

Despite financial support for the subsidiary by the four banks, recovery of the loans has made little progress.

Taiheiyo's earnings also deteriorated further with the collapse of the speculation-driven "bubble" economy of the late 1980s.

Although Sakura dispatched officials to the regional bank to help with reconstruction, earnings did not improve.

As of September 30 last year, Taiheiyo held 26.3 billion yen in bad loans to bankrupt borrowers, which accounted for 3.7 percent of its total lending.

#### **Japan: Kubo Asks Taiheiyo Depositors To Use 'Common Sense'**

*OW3003023196 Tokyo KYODO in English  
0207 GMT 30 Mar 96*

[FBIS Transcribed Text] Tokyo, March 30 KYODO — Sakura Bank and three other major commercial banks will dissolve Taiheiyo Bank, a troubled second-tier regional bank in Tokyo, and establish a new bank to take over its operation, Sakura Bank said late Friday [29 March] night.

Hitoshi Shida, president of Taiheiyo Bank, apologized for the collapse of his bank at a news conference held at the head office of the Bank of Japan in Tokyo on Saturday morning.

He revealed that he and all other executives will step down in order to take responsibility for the collapse after the bank's operation is taken over by the new bank.

Moreover, the executives plan to relinquish their retirement allowances, Shida said.

"We have enough cash on hand to meet demands until takeover procedures are completed," he said, adding that he is determined to help bank employees find new jobs if they fail to secure jobs in the new bank.

The accord among Sakura, Fuji, Tokai and Sanwa banks stems from their judgment that it would be extremely difficult for Taiheiyo Bank to get back on its feet.

The four leading investor banks each have a 5 percent stake in the ailing bank.



The collapse of Taiheiyo Bank is the second among Japan's regional banks following the failure last summer of Kobe-based Hyogo Bank, now named Midori Bank.

Sakura Vice President Yasuyuki Watanabe told a news conference Friday night that the four banks have put together a liquidation plan at the request of the Finance Ministry and the Bank of Japan.

In a statement issued following the announcement of the accord, Finance Minister Wataru Kubo said it is regrettable to see financial institutions fail one after another. He added, however, Taiheiyo's liquidation is desirable from the view of protecting depositors.

Kubo called for depositors at Taiheiyo to act with common sense.

Deposits at Taiheiyo will be transferred entirely to a new joint-venture bank and protected by the four major commercial banks.

Should a large-scale run on Taiheiyo occur early next week, the central bank is expected to extend special loans in order to avoid confusion under Article 25 of the Bank of Japan Law.

It is still uncertain when the new bank will be created.

But the bank is likely to be established as a joint, wholly owned subsidiary of the four big commercial banks with capital at 40 billion yen, Sakura Bank said. The four banks' share in the capital is yet to be fixed.

If the Fair Trade Commission does not approve the establishment of the joint subsidiary bank, the new bank would be founded as a fully owned subsidiary of Sakura Bank alone, the bank said, with the other three banks giving support in the form of subordinated loans.

The four banks have no plans to ask for contributions from other banks.

Taiheiyo will continue ordinary business operations until the new bank is created, Sakura Bank said.

A senior Bank of Japan official said Friday Taiheiyo's net liabilities stand at 130 billion yen, with irrecoverable loans estimated at 170 billion yen.

Industry sources said Sakura and the three other banks are expected to ask for about 60 billion yen in financial support from Deposit Insurance Corp., the nation's depositor protection body.

Taiheiyo's business conditions took a turn for the worse in the 1980s in the wake of its excessive financing to real estate developer Mogami Kusan.

Nearly 100 billion yen in bad loans to Mogami Kusan has been transferred to Chiyoda Factoring, a subsidiary set up in 1989 to recover the loans.

Despite financial support for the subsidiary by the four banks, recovery of the loans has progressed little.

Taiheiyo's earnings also deteriorated further with the collapse of the speculation-driven "bubble" economy of the late 1980s.

Although Sakura dispatched officials to the regional bank to help with reconstruction, earnings did not improve.

As of Sept. 30 last year, Taiheiyo held 26.3 billion yen in bad loans to bankrupt borrowers, which accounted for 3.7 percent of its lending total.

Deposits at the bank fell sharply to about 560 billion yen as of February from 636.5 billion at the end of last September.

On Saturday, Taiheiyo Bank said it will incur 170 billion yen worth of net losses in the year ending March 31 as a result of a once-and-for-all write-off of 3.7 billion yen worth of bad loans extended to insolvent housing loan firms known as "jusen."

#### Japan: Major Banks Announce Net Worth Ratios

OW2903124196 Tokyo KYODO in English  
1235 GMT 29 Mar 96

[FBIS Transcribed Text] Tokyo, March 29 KYODO — Japan's 21 major banks on Friday [29 March] announced their estimated ratios of net worth to total assets at the end of fiscal 1995 ending Sunday based on the rule of the Bank for International Settlements (BIS).

The figures of 11 "city" banks, seven trust banks and three long-term credit banks ranged from 8.2 percent to 10.8 percent, all clearing the required minimum rate of 8.0 percent.

The ratio at Mitsui Trust and Banking Co. is the highest at 10.8 percent, followed by Yasuda Trust and Banking Co. and Chuo Trust and Banking Co. whose ratios are both around 10.4 percent.

The Bank of Tokyo and Mitsubishi Bank have ratios above 10 percent and that at Toyo Trust and Banking Co. is around the 10 percent line.

In contrast, the ratios at Fuji Bank, Tokai Bank and Nippon Credit Bank are the lowest at around 8.2 percent.

Sakura Bank comes at 8.3 percent and the Industrial Bank of Japan at 8.4 percent.

The ratios at the long-term credit bank of Japan, Hokkaido Takushoku Bank and Nippon Trust Bank Ltd. are all at around 8.5 percent.



The ratios at long-term credit banks and some city banks are lower and they are expected to have to reduce (as received) their assets to improve the soundness of their management, industry sources said.

**Japan: SDP, Sakigake Leaders Drop Credit Union Rescue Clause**

*OW3103100996 Tokyo KYODO in English  
0947 GMT 31 Mar 96*

[FBIS Transcribed Text] Gifu, Japan, March 31 KYODO — Leaders of the Social Democratic Party (SDP) and New Party Sakigake [Harbinger] agreed Sunday [31 March] to drop from revised deposit insurance legislation a clause mandating fiscal measures to rescue bankrupt credit unions.

In a meeting in Gifu in central Japan, SDP leader Tomiichi Murayama and his Sakigake counterpart Masayoshi Takemura also agreed to put off the bankrupt credit union issue until the next regular Diet session, officials said.

The deposit insurance legislation will be submitted to the Diet shortly.

The government of Prime Minister Ryutaro Hashimoto and the ruling coalition of his Liberal Democratic Party, the SDP and New Party Sakigake have been under fire for a 685 billion yen plan to help liquidate seven moribund housing loan companies.

During the talks in Gifu, capital of Gifu prefecture, Murayama told Takemura that there was no need for the government and the ruling coalition to make a hasty decision on the credit union issue, according to sources who had access to the meeting.

Under the current proposal, the government is required to take fiscal measures over a five-year period to help financially troubled credit unions pay their debts after borrowing funds from the bank of Japan and winning government guarantees for their debts.

The largest opposition party, Shinshinto (New Frontier Party), has threatened to boycott a vote on the fiscal 1996 state budget until the deposit guarantee legislation and other financial bills are submitted to the Diet.

**Japan: MOF 'Prepared To Compromise' on Insurance Issues**

*OW3003065396 Tokyo ASAHI SHIMBUN (Morning Edition) in Japanese 29 Mar 96 p 11*

[FBIS Translated Text] The Ministry of Finance (MOF), which has continued to hold negotiations with the Office of the U.S. Trade Representative (USTR) regarding liberalization of Japan's insurance services sector,

disclosed on 28 March that due to a wide gap between Japanese and U.S. positions, the date of the next meeting has not been decided yet. However, the MOF maintains that it "would like the United States to clearly show demands that are realistic," indicating that it is prepared to compromise if concrete measures should emerge.

Attention is focused on the issue of Japanese insurance firms' entrance into the so-called third sector, including accident insurance and cancer insurance, an area where foreign-affiliated insurance firms have fared well. The United States has been seeking, among other things, a freeze on sales of third sector products by subsidiaries set up by major life and non-life insurance firms and substantial liberalization of premiums on accident insurance for corporate customers, arguing that based on the bilateral insurance agreement of October 1994, "liberalization of existing life and non-life insurance services must come first."

In response, the MOF stressed that "third sector products will eventually become important in an aged society, and (a freeze on sales of products by subsidiaries) runs contrary to consumer interests."

**Japan: KYODO Focuses on New Insurance Business Law**

*OW3003070396 Tokyo KYODO in English  
0616 GMT 30 March 96*

["News Focus" by Yoichi Kosukegawa: "Row Clouds New Insurance Business Law"]

[FBIS Transcribed Text] Tokyo, March 30 KYODO — Japan's revised insurance business law takes effect Monday [1 April], marking the first overhauling of insurance services in more than half a century.

The law is intended to bring more competition to the sector by allowing life and nonlife insurance companies to enter each other's business turf through subsidiaries.

But recent Japan-U.S. haggling in insurance talks has thrown cold water on the debut of the new law.

At present, six of the country's eight major life insurance companies, including Nippon Life Insurance Co. and Dai-ichi Mutual Life Insurance Co., are making preparations for nonlife units.

In the nonlife insurance sector, a total of 11 companies are ready to advance into the life insurance business. They include such big names as Tokio Marine and Fire Insurance Co. and Mitsui Marine and Fire Insurance Co., as well as medium-ranking companies like Nichido Fire and Marine Insurance Co.



These life and nonlife companies are seeking to apply for finance ministry approval in May or June to set up subsidiaries as early as October.

But there has been growing concern that the Japan-U.S. insurance talks will adversely affect the moves toward mutual entrance.

"Companies may be forced to delay their entrance plans, depending on developments in the Japan-U.S. dispute," a nonlife insurance industry official said.

A Finance Ministry official also said, "We have to seek an early settlement of the dispute so that it does not adversely affect services under the revised law."

At issue in the Japan-U.S. insurance talks is the handling of the so-called third sector, which covers insurance products against cancer and other sicknesses, accidents and nursing.

The U.S. has argued Japan is giving greater priority to liberalizing the third sector, where foreign companies are strong.

Until Japan fully liberalizes its primary life and nonlife insurance markets, subsidiaries should not be allowed to handle third-sector products, Washington says.

A Finance Ministry official said the entrance of subsidiaries does not mean "liberalization," but simply represents an increase in the number of companies.

It is strange that the subsidiaries cannot sell third-sector products that are now available for existing life and nonlife companies, he said.

Major insurer Asahi Mutual Life Insurance Co. has opted for forming alliances with some nonlife insurers for a while.

An Asahi official said, "At present, uncertainty remains over the scope of products to be handled by subsidiaries."

"It will not be too late to enter the nonlife insurance market after the whole picture of services under the revised law becomes clearer," he said.

A life insurance industry official also said, "If subsidiaries cannot sell accident insurance products, it would substantially reduce the attractiveness of the new business."

Such products accounted for 26.4 percent of income at nonlife insurance companies in 1994, way above the 3.6 percent in 1974.

The revised law, meanwhile, calls for introducing a series of measures to secure the soundness of insurance services, but analysts said that such measures are still insufficient.

Under the law, each of the life and nonlife insurance industries will create a fund to protect policyholders against possible failures of insurance companies.

If a company collapses, the fund to be created by the life insurance industry will extend up to 200 billion yen to help transfer insurance contracts to another company.

The nonlife insurance industry's fund will provide up to 30 billion yen against the failure of a company.

Each industry, however, has yet to decide on how to deal with failures of companies that require costs beyond the fund's upper ceiling.

As another step for healthier services, the revised law calls on the finance ministry to introduce standards for a "solvency margin" to measure how much money a company can pay to policyholders beyond mandatory reserves.

If a company falls short of a certain level of solvency margin, the ministry can issue a business improvement order.

Under the law, however, the ministry has no need to make public each company's solvency margin. The ministry apparently fears that disclosing solvency margins immediately would cause unease among customers.

Analysts, however, said the ministry should have decided to disclose solvency margins. The importance of such disclosures is growing at a time when Japan's financial sector is being hit by bad loan problems, they said.

Mineko Sasaki-Smith, senior economist at Morgan Stanley Japan Ltd., said the revised law will mark "the arrival of full natural selection" in the insurance industry.

"Insurance companies have to seek ways to survive by differentiating their products from others," she said.

## North Korea

### DPRK: Departure of KEDO Delegation Reported

SK3003105696 *Pyongyang KCNA in English*  
1007 GMT 30 Mar 96

[FBIS Transcribed Text] Pyongyang, March 30 (KCNA) — The delegation of the Korean Peninsula Energy Development Organisation (KEDO) led by its Executive Director Stephen Bosworth left here today.

While in Korea, the delegation visited Kumho area, South Hamgyong Province, where light-water reactors will be built, and discussed technical matters for the project with officials of the General Department of Atomic Energy.



The leader of the delegation had discussions with officials concerned on issues which should be resolved by the DPRK and the United States.

**DPRK: 'Foolish Remarks' of U.S. Congressman Criticized**

*SK3003044296 Pyongyang KCNA in English*  
*0434 GMT 30 Mar 96*

**["Ignorance of Political Charlatan Revealed" — KCNA headline]**

[FBIS Transcribed Text] Pyongyang, march 30 (KCNA) — Kim Chang chun, a U.S. congressman, made foolish remarks at a hearing organised by the Asia-Pacific Subcommittee of the U.S. House Foreign Affairs Committee on March 19.

He blamed the U.S. administration for recently taking a measure to relax restrictions on food assistance to the DPRK. He said that inter-Korean dialogue should be a precondition for food assistance and that the U.S. need not provide food to North Korea. He urged the U.S. administration to make clear that U.S.-DPRK dialogue would not continue unless North Korea starts dialogue with South Korea.

His remarks were quite the same with those made by the South Korean puppets, so it seemed as if a South Korean puppet National Assemblyman were speaking at the hearing.

His behavior was so disgusting that a U.S. assistant secretary of state present at the hearing retorted that "precondition should not be attached to a humanitarian issue."

By opposing the measure of the U.S. administration and U.S.-DPRK dialogue under the pretext of inter-Korean dialogue, Kim Chang-chun fully revealed his political ignorance.

The measure of the U.S. administration is relating to a humanitarian issue; U.S.-DPRK dialogue is an issue between the U.S. and the DPRK; and inter-Korean dialogue is an issue between the North and South of Korea.

It is a shame of the U.S. Congress to have such a political idiot in the House Foreign Affairs Committee.

The image of U.S. politicians was spoiled by Kim Chang-chun, who groundlessly slandered the DPRK and made foolish remarks as a servant of the South Korean puppets.

**DPRK: U.S. Plan To Maintain Troops in East Asia Denounced**

*SK3003040696 Pyongyang Korean Central*  
*Broadcasting Network in Korean*  
*2200 GMT 29 Mar 96*

[FBIS Translated Text] According to reports, senior officials from the United States have recently raved about maintaining and strengthening the U.S. forces stationed in East Asia.

On 27 March, U.S. Secretary of Defense Perry published a so-called annual report reconfirming the U.S. policy to continuously station 100,000 U.S. troops in East Asia, with the U.S.-Japanese security alliance as their axis.

In the report, Perry reportedly stated that because the potential threat has not been significantly reduced in East Asia, the weakening of the U.S. military presence in this region may give rise to an awareness of a regional power vacuum. Raving about the need to maintain U.S. troops in East Asia, particularly those troops forward deployed in Japan and South Korea, he stressed that a stronger U.S.-Japanese alliance will continuously ensure peace and security in the region, and that the U.S.-South Korean military alliance is necessary not only to deter war on the Korean peninsula, but also for stability in the region.

Reporting this, KYODO exposed Perry's report as a copy of the East Asia strategy published by the Pentagon in February 1995, which set forth a plan to continuously maintain 100,000 U.S. troops in East Asia, including the U.S. Forces in South Korea and the U.S. Forces in Japan, under the pretext of the so-called threat from North Korea.

KYODO said that in the report, Perry raved about dealing with simultaneous disputes in two regions of the world, which referred to maintaining an armed force stationed in East Asia, and openly asserted that U.S. forces should maintain combat readiness and should restrain the threat using the armed forces deployed in the forward area.

In the meantime, (Bogel), an adviser to the Pentagon, while speaking on the same day to the Foreign Affairs Committee of the Japanese House of Councilors, openly raved that the U.S. policy to maintain U.S. forces in East Asia at the 100,000 level will remain unchanged for 10 years, 15 years, and even 20 years.

Prior to this, on 26 March, (Demin), minister-counselor of the U.S. Embassy in Japan, flatly denied in a news conference the possibility of reducing the U.S. armed forces in East Asia, including the 47,000 troops of the U.S. Forces in Japan. He said that without the Japan-U.S. alliance, the United States would face a much more



difficult situation in East Asia, thus revealing the wild ambition to achieve military domination over East Asia by further strengthening the Japan-U.S. military alliance under the signboard of regional security and by using it as a stepping stone.

**DPRK Daily: U.S. 'Scheming' Source of Area Tension**

SK3003094996 *Pyongyang KCNA in English*  
0933 GMT 30 Mar 96

["U.S., Source of Tensions on Korean Peninsula" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 30 (KCNA) — It is because of the U.S. aggressive schemings to keep hold on Korea and the rest of Asia that so tense a situation is prevailing in the Korean Peninsula and the region is plagued with the biggest danger of war in the world, says NODONG SINMUN in a signed article today.

While reducing some of its armed forces in Europe, which has been the forefront of the showdown between the U.S. and the Soviet Union, after the end of the cold war, while crying for detente, the U.S. is reinforcing its armed forces in Asia, further aggravating military tensions, the article says, and continues:

The U.S. considers that only when it keeps hold on Asia, the powerhouse of the economic development of the world, by force of arms, can it gain economic benefits. Proceeding from its strategy, it regards the Korean Peninsula as the main target.

The U.S. Asian strategy is to establish its military domination over the region with Korea as the springboard.

That is why the U.S. has stationed its huge armed forces in the Korean Peninsula and its surrounding areas and resorted to permanent military threat to and pressure upon the DPRK, bringing the situation to the extreme pitch of strain.

To begin with, the U.S. continues reinforcing aggression armed forces in this region.

There are stationed 100,000 U.S. troops in South Korea, Japan and other areas.

In particular, the U.S. has intensively stationed sophisticated warships, warplanes, units of the Navy and Air Force and task forces equipped with nuclear weapons and staged military manoeuvres against the DPRK in accordance with the scenario of Korean war.

And it has delivered new military technologies and war materiel to Japan and South Korea, encouraging them to help realise its military aim. The Japanese reactionaries

and South Korean puppets, therefore, are stepping up arms buildup and war preparations, raising a hue and cry over the "military threat from the North" and "instability of the region".

The U.S. should not invent a pretext to provoke a war with the clamouring about the "threats" from the DPRK, but act with discretion out of a peace stand.

**DPRK Daily Warns U.S., Japan Against Confrontation**

SK0104131096 *Pyongyang Korean Central Broadcasting Network in Korean* 0852 GMT 1 Apr 96

[NODONG SINMUN 1 April commentary: "One Should Not Act Recklessly and Rashly"]

[FBIS Translated Text] The one who is recklessly running wild by incorrectly judging the situation is doomed to suffer a great frustration.

Recently, U.S. bellicose forces and Japanese reactionaries have been advancing along this road by spreading a rumor on our military adventurism and threat while making an erroneous assessment of the situation.

During a confab with the puppets, the commander in chief of the U.S. Forces Pacific, who visited South Korea some time ago, said that we might trigger a military adventure and that North Korea is becoming a growing force threatening peace in Asia.

The Japanese reactionaries also made a gibberish that North Korea's intensification of military power gives a serious impact to Japan. Thus, they emphasized countermeasures in the event of an emergency. All these are falsehoods. However, their remarks are very dangerous in nature.

As for the U.S. bellicose forces who slander us, they are experts in militarily invading others. Japanese reactionaries are dreaming of reinvasion. It is not likely that those who have dark intentions slander us without any purpose. What are they really pursuing by slandering us whenever they find an opportunity?

It is the very intention of the United States to invade our Republic through intensified military alliances, including a U.S.-Japan alliance and a U.S.-South Korea security alliance, by keeping U.S. Forces on and around the Korean peninsula for a long time. The United States is seeking to realize its strategy of dominating Asia and the Pacific.

The U.S. bellicose forces are attempting to use our so-called threat as a pretext for their strategy. On the other hand, by putting forward a similar pretext, Japanese reactionaries are scheming to legalize their maneuvers



to become a big military power. It is no secret that their maneuvers to become a big military power are linked to their ambition for reinvasion.

The problem is that such maneuvers by U.S. bellicose forces and Japanese reactionaries work as a grave military threat to us and may result in a unpredictable situation.

We and the United States are in relations of tense hostilities [paengpaenghan kyojon kwangye]. However, the armistice system is in a state of paralysis.

At the Security Committee of the U.S. House Appropriation Committee, the commander of the U.S. Forces in South Korea expressed concern, stating that since there has been no channel for military contact between the DPRK and the United States, a potential incident cannot be prevented [issulsu innun sakonul pangji halsu optago uryohangoson]. His remarks are not accidental.

If tensions continue under these conditions, how will the situation develop?

Needless to say, we do not want confrontation but love peace. This is why we put forward the proposal for concluding a tentative agreement. Nevertheless, we have no intention whatsoever to beg for peace, no matter how precious it may be.

How can we remain an onlooker to the situation, like seeing a fire in the other shore of a river with folded arms, when U.S. bellicose quarters are attempting to crush [malsal] the Republic by restoring the confrontation structure and refusing our peace proposal?

Confrontation on the Korean peninsula means war. The United States is keeping 40,000-odd U.S. troops in South Korea. Though this is true, there is no basis that allows the United States to talk big in confrontation between strength and strength and in life-or-death confrontation [kurottago haeso sangwa himui taegyol saengsarul pangari hanun taegyoleso miguki hoon changdamhal kungonun hanado optta]. It is better for Americans, if they have reason, to coolly ponder this.

We cannot neglect Japan's maneuvers to become a big military power committed under the pretext of our so-called threat.

Japan invaded and forcibly occupied Korea in the past. While implementing a colonial rule, Japan inflicted immeasurable misfortunes, pains and disasters on our people. Instead of atoning for its sin, Japan is attempting to repeat its criminal past. It is no secret that Japanese reactionaries have worked out a plan to invade our country by raving about an operation and so forth. This ambition has become more vigorous among Japanese

reactionaries. This is shown by Japan's fierce maneuvers to become a big military power.

Japanese reactionaries are accelerating the maneuvers to become a big military power by laying the blame on us. This means that their spearhead is being directed at us. We have been under constant military threat from Japan. Therefore, we cannot overlook and cannot but cope with it.

Japan, an island country, is boasting of its position as big economic power. What Japan needs to survive is not confrontation but a peaceful environment. Japan's maneuvers to become a big military power, which have been accelerated using us as a pretext, will destroy the peaceful environment. Japan is geographically close to our nation. The Japanese people, known as talented in calculating their own interest, should know about this. Foolish people are often caught in the trap they have placed, thus suffering hardship. It is too late for them to feel remorse for their act after this.

The U.S. bellicose forces and Japanese reactionaries should look straight at the situation. They should not recklessly run wild.

#### **DPRK: ROK-U.S. Joint Air Exercise, 'Provocations' Noted**

*SK3103045496 Pyongyang KCNA in English  
0449 GMT 31 Mar 96*

[*"Joint Air War Games and Military Provocations Against DPRK" — KCNA headline*]

[*FBIS Transcribed Text*] Pyongyang, March 31 (KCNA) — The U.S. imperialists and the South Korean puppets staged large-scale joint air war exercises against the northern half of Korea in the skies near the Military Demarcation Line on Thursday and Friday [28 and 29 March], military sources said.

Involved in the exercises were more than 890 fighter planes of the U.S. Pacific Fleet and Fifth and Seventh Air Forces and the puppet air force.

Meanwhile, the puppets staged ground, naval and air war exercises within the framework of the aggressive "Hoguk 96" military drill.

In March the U-2 high-altitude strategic reconnaissance plane committed photographing and electronic espionage on the northern half of Korea on 34 occasions.

The U.S. imperialists made espionage on the North on a total of 210 odd occasions this month, with the mobilization of overseas-based AWACS and patrol planes as well as high-altitude strategic reconnaissance



planes, tactical reconnaissance planes and electronic warfare helicopters deployed in South Korea.

In another development, on March 28 and 29, the South Korean puppets sent a large number of soldiers and 30 odd military vehicles fully loaded with lethal equipment into different parts of the Demilitarized Zone in the central sector of the front and had military exercises, threatening the lives of civil policemen of the North side.

Those continued air espionage and war exercises and military provocations in the DMZ are driving the situation of the Korean peninsula to a dangerous phase of physical conflict.

If the Kim Yong-sam group dare provoke a war in defiance of the strong protest and denunciation within and without, they will face a strong strike and be burnt to death in the fire set by themselves.

#### **DPRK: SKNDF Issues Indictment of ROK Nuclear Arms Development**

*SK0104105596 Pyongyang KCNA in English  
1038 GMT 1 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 1 (KCNA) — The Central Committee of the National Democratic Front of South Korea [SKNDF] issued an indictment March 28 against the Kim Yong-sam group's development and reinforcement of heavy-water reactors relating to nuclear arms development, the Seoul-based radio Voice of National Salvation [VNS] reported.

The indictment said:

There is a candu-type heavy-water reactor with a capacity of 679,000 kw in Wolsong, South Korea. The reactor imported from Canada has been operated since 1983. The amount of plutonium so far produced at the reactor is as much as can make more than 380 nuclear bombs.

The South Korean authorities, however, have been promoting a project of three heavy-water reactors with a capacity of 700,000 kw since 1992. They plan to commission reactor No. 2 in June 1997, reactor No. 3 in June 1998 and reactor No. 4 in June 1999.

The 700,000 kw heavy-water reactor that was completed at the end of last year will be installed in Wolsong as reactor No. 4. The Kim Yong-sam regime announced that the development and reinforcement of heavy-water reactors are for "commercial purposes." But, this is a foolish attempt to mislead public opinion at home and abroad.

The Kim Yong-sam group's development and reinforcement of the heavy-water reactors are aimed at using them for nuclear arms development.

The nuclear development teams of South Korea already completed the post-irradiation experimental facility, a reprocessing facility for extraction of plutonium, in November 1985. They began operating the facility in real earnest in 1987 and have reconstructed it on an expansion basis under the guise of a post-irradiation experimental facility, so that a complete system of extracting plutonium from spent nuclear fuel of the Wolsong heavy-water reactor has been established.

The South Korean authorities concluded a joint agreement on reprocessing with Great Britain on November 22, 1991 so that spent nuclear fuel of South Korea is reprocessed at the sheffield reprocessing plant in Great Britain into plutonium and uranium dioxide, mox, which are shipped to South Korea. This opened a way of reprocessing large quantities of spent nuclear fuel to procure plutonium.

In addition to this, the Kim Yong-sam group seek a sinister intention to reprocess spent nuclear fuel at South Korea's heavy-water reactors and extract much more plutonium.

The Taedok Research Complex, the centre of nuclear arms development of South Korea, was completed in November 1992, four to five years ahead of schedule. So, nuclear arms development is being accelerated at this complex, which has a nuclear fission material production base, a detonating test base, a secret nuclear bomb manufacturing base and a nuclear vehicle research base.

The Kim Yong-sam group's development and reinforcement of heavy-water reactors lay a new hurdle in the way of the solution to the nuclear issue on the Korean peninsula and constitute a spark for aggravation of distrust and confrontation between the North and South of Korea.

The heavy-water reactors that produce plutonium should have been dismantled in South Korea in line with the freeze of graphite-moderated reactors and their replacement with light-water reactors in the North. But, the heavy-water reactors are developed and reinforced in South Korea. This is a challenge and provocation against the solution to the nuclear issue on the Korean peninsula.

This is a spark that may provoke a new nuclear arms development race in the Far East.

The procurement of large quantities of plutonium and the development of a fast breeder reactor of Japan in the



Far East are now criticised by the world public. At this time, the Kim Yong-sam group are developing and reinforcing heavy-water reactors that arouse international vigilance and they even declare they will export them to Asian countries. This is a heinous crime which brings dark clouds of nuclear proliferation in the Far East and Asia and renders the situation in the Far East extremely strained.

The Kim Yong-sam's is a regime of heinous nuclear fanatics without an equal in the world. It must be overthrown for the existence of the Korean nation and denuclearization of the Korean peninsula.

**DPRK: 20 Mar Message to ROK Proposes 4th Round of Contacts**

*SK3003101396 Pyongyang KCNA in English  
0947 GMT 30 Mar 96*

[“Head of North Side Delegation Sends Message to South Side Chief Delegate” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 30 (KCNA) — Chon Kum-chol, head of the North side delegation to the Beijing contact between the North and the South of Korea, on March 20 sent a message by fax to his South side counterpart, Yi Sok-chae, proposing the fourth round of the contact.

The message said:

At the first round last year, as you know, the sides agreed to continue the contact. Despite the North side's sustained efforts and good-intentioned measures, however, the contact has long been suspended since the third round was held.

Regretting that your side's top officials concerned have alleged that the contact has been delayed because of no official proposal for the continued contact from the North side, we propose the fourth round of the contact in Beijing around March 27.

I hope [for] a response from your side.

**DPRK: ROK Bringing Korea to 'More Dangerous Phase of War'**

*SK3003044096 Pyongyang KCNA in English  
0421 GMT 30 Mar 96*

[“Kim Yong-sam Group Charged With Anti-DPRK Confrontation” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 30 (KCNA) — The Kim Yong-sam group of South Korea are these days resorting to frantic anti-DPRK confrontation and war preparations against the North, raising a hue and cry over the fictitious “possible military adventure of the North” and “threat”. And they are getting frenzied

in mendicant diplomacy and in hatching plots to bring into shape an anti-DPRK “cooperation system”.

NODONG SINMUN today, commenting on this, says that their acts are an open challenge to and provocation against the DPRK, which is making all sincere efforts for peace and security on the Korean peninsula and an unpardonable crime in bringing the situation on the Korean peninsula to a more dangerous phase of war.

The analyst further says:

As the Kim Yong-sam group are finding a way out of the crisis in confrontation and war provocation against the DPRK, inter-Korean relations are in the worst conditions and the situation in which another war may break out is being created hourly. If a war breaks out in Korea, a small country, it will bring mammoth disaster to the North and South of Korea as well as great damage to the United States, Japan and other countries.

To answer war with war and mete out a thousandfold punishment to the provocateurs is the revolutionary qualities of the Korean people and army. We will keep tab on the unprecedented crime of the Kim Yong-sam group of bellicose elements in gravely threatening peace of the country and security of the nation with vicious anti-DPRK confrontation and military adventure. And they shall pay dearly for it.

Some forces that echo the smear theory of “military threats from the North” brought forward by the Kim Yong-sam group should remember that if a war breaks out in the Korean peninsula, they will not evade its holocaust as well as the responsibility for the provocation of war.

**DPRK: ROK 'Interference' in Peace Agreement Decried**

*SK3003143396 Pyongyang Korean Central  
Broadcasting Network in Korean  
0854 GMT 30 Mar 96*

[NODONG SINMUN 30 March commentary: “The Reckless Confrontation Maneuver of the War Servants”]

[FBIS Translated Text] Recently, the South Korean puppets crazily promoted anti-Republic confrontation and northward aggression maneuvers by more noisily advertising the nonexistent possibility and threat of military adventurism by the North. The puppets oppose the signing of a tentative agreement between the DPRK and the United States. They sent the puppet foreign minister to the United States to seek an anti-Republic alliance out of their frenzy to carry out panhandler diplomacy and a conspiracy.



This is an open challenge and provocation against the DPRK — which has exerted all kinds of sincere efforts to achieve peace and security on the Korean Peninsula — as well as an intolerable crime driving the situation on the Korean Peninsula to a more dangerous phase of war. Reinforcing arms under the pretext of the so-called military threat of the North, firing shells during war exercises, and straining the situation are the habitual tricks of the puppets to provoke a war of northward aggression.

The Kim Yong-sam ring, taking advantage of the U.S. policy to crush the DPRK, has conducted various adventurous war exercises replacing the Team Spirit joint military exercise on an unprecedentedly great scale since the beginning of this year. The enemies deployed a flotilla of U.S. carriers and strategic bomber planes to South Korea and its surrounding waters, and conducted a large-scale aerial surprise attack exercise and a Navy joint exercise. Raving about establishing an integrated defense system for emergency, they conducted a civilian-administration-military joint exercise. Since 28 March, they have staged a war fire game dubbed Hoguk 96, deploying the puppet ground forces corps, and massive forces of the navy and air force in the sky, on the land, and on the seas of the central areas and the east and west coasts.

The target of such provocative war exercises by the puppets is none other than our Republic. Such reckless war commotions are being staged daily in South Korea, which has turned into the biggest nuclear weapons armory in the Far East. There is no guarantee that such war commotions may not flare up as an actual war of northward aggression. Thus, the Korean Peninsula is in an ultra-tense situation in which a war may break out at any moment. [choson pandoenun onu sigage chonjaengi tojilchi morunun choginjang sangtaega chosong togo itta]

Under the circumstances, peace has been maintained on the Korean Peninsula only because of our Republic's sincere and patient peace-loving policy and self-restraint. As is well known, we recently proposed that the DPRK and the United States sign a tentative agreement for eliminating armed conflict and the risk of war on the Korean Peninsula, and for peacefully maintaining the state of armistice.

Under a condition in which North and South Korea have already adopted a basic agreement on nonaggression and the agreement has come into effect, and in which a North-South joint military body has been established, the signing of a tentative agreement between the DPRK and the United States will bring about a turning point in achieving detente and peace on the Korean Peninsula.

Then, our nation will no doubt be free from the constant risk of armed conflict and war.

Nevertheless, the Kim Yong-sam group frantically opposed the conclusion of a DPRK-U.S. tentative agreement. This shows that the Kim Yong-sam group has no national outlook, not even in the slightest degree, nor is it interested in peace and peaceful reunification of the nation.

The Kim Yong-sam openly advocates reunification under so-called liberal democracy, which takes confrontation and war between fellow countrymen as a precondition, and reunification by invading North Korea. This being the case, it is not strange at all for the Kim Yong-sam group to oppose the conclusion of a DPRK-U.S. tentative agreement intended to ensure peace on the Korean Peninsula.

That the puppets are waging panhandler diplomacy to beg for the establishment of a cooperative system intended to harm and crush fellow countrymen is part of the provocations aimed at war, and is the expression of a vicious and cunning trick to block the progress in DPRK-U.S. and DPRK-Japan relations by all means by further aggravating the situation.

The bellicose Kim Yong-sam group is begging outside forces for the establishment of a cooperative system in order to harm and crush fellow countrymen by going counter to the aspirations of the nation for peace and peaceful reunification. Not satisfied with this, the Kim Yong-sam group is desperately and frenziedly running amok to inflict nuclear calamity on the nation. This crime of the Kim Yong-sam group will never be pardoned.

Through its acts, the Kim Yong-sam group has revealed to the entire world that it is a group of vicious national traitors without a sense of being fellow countrymen who share the same blood, and is the most atrocious and vicious enemy of reunification among all the successive ruling bunches in South Korea.

Since the Kim Yong-sam group is seeking a way out of the danger of ruin through confrontation and war provocations against us, today North-South relations have reached the worst possible level and the danger of a recurrence of war is increasing every moment.

If a war breaks out in our country, which is not large, it will inflict enormous disasters both on North and South Korea. It will also result in great damage to other countries, including the United States and Japan.

We are watching the reckless military acts of the South Korean puppets with heightened vigilance.



It is the revolutionary temperament of our people and army to control fire with fire and to punish the provokers hundreds of thousands of times more.

Those who ignite the fire first are doomed to be struck by lightning fire. We will strictly calculate the never-to-be-pardoned crimes of the bellicose Kim Yong-sam group, which is threatening the peace of the nation and the safety of the people with vicious anti-Republic confrontation and military adventurism. We will make the Kim Yong-sam group pay dearly for this.

The forces who chime in with the Kim Yong-sam group's slanderous claim of a military threat from the North should keep in mind that if the flames of war are ignited on the Korean Peninsula, they will not be safe and will be unable to evade their responsibility for this.

**DPRK Daily Warns: Danger of War 'Increasing Hourly'**

*SK3103050596 Pyongyang KCNA in English  
0501 GMT 31 Mar 96*

["Dangerous Anti-DPRK Campaign" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 31 (KCNA) — The South Korean puppets' mendicant diplomacy against the DPRK's peace proposal for conclusion of a tentative agreement between the DPRK and the U.S. and their undisguised military exercises against the North cannot be regarded merely as a repetition of the anti-DPRK confrontation campaign, says MINJU CHOSON today.

The news analyst continues:

Their acts are aimed at inveigling outside forces in their anti-peace, anti-reunification crime and developing the military exercises into a real war against the North.

The traitor Kim Yong-sam's anti-DPRK confrontation campaign and war scheme are a result of his consciousness of crisis.

He is driven to a tight corner for his illicit fortune-piling and treacherous crimes unprecedented in history. So, the puppets are seeking a way out in war against the North. That is why the Kim Yong-sam group are intensifying a mendicant diplomacy against the North's peace initiative while holding frantic large-scale military exercises against the North.

If a war against the North is unleashed, it will precipitate their own destruction rather than save them from the crisis.

The danger of war is increasing hourly on the Korean peninsula due to the bellicose Kim Yong-sam group. At

this moment, no one should be taken in by their sophism or join them. Those who encourage or conspire with the puppets will be blamed for wrecking peace and fanning a war on this peninsula.

**DPRK: 'Unattributed Talk' Denounces ROK 'War Maniacs'**

*SK3103140896 Pyongyang Korean Central  
Broadcasting Network in Korean  
0852 GMT 31 Mar 96*

[Unattributed talk: "The War Maniacs Will Not Remain Safe"]

[FBIS Translated Text] The Kim Yong-sam puppet clique is recklessly staging war commotions to ignite another war in Korea. The signs can be found in the ominous harsh military remarks, which sound like the night before war, being made in South Korea daily. Traitor Kim Yong-sam recently raved about the possibility and unpredictable risk of military adventurism by us, and even said that inter-Korean issues can only be resolved by military strength.

At the same time, ominous military moves are being concentrated along the south side of the military demarcation line [MDL]. As the entire world knows, South Korean puppets conducted large-scale air surprise attack exercises against us at the beginning of the new year in the sky above the west coast near the Sosan Peninsula and the sky above the east coast near Samchok in South Korea. In February, they mobilized numerous warships and fighter planes in the Valiant Usher 96-2K Navy joint exercise, followed by the Hoguk 96 exercise, which deployed large-scale Army, Navy, and Air Force troops. The war exercises were 1.3 times bigger than those last year and 1.5 times bigger than in previous years in terms of their scale and concentration. The exercises were like actual war.

South Korean puppets regard the temporary hardship of fellow countrymen due to the flood damage as a good opportunity for northward aggression. They block international humanitarian aid and even spread rumors about someone's collapse. These are provocations aimed at a war. How crazy the South Korean puppets are about the maneuver of northward aggression is proven by the fact that they even linked the recent Taiwan Strait incident to us and talked about a preemptive missile attack by us. Facts show that the South Korean puppets have already pulled the trigger for northward aggression. In reality, a war on the Korean Peninsula is not a matter of if but when.

Behind the South Korean puppets' reckless war commotions are the U.S. ultra-rightist conservative forces.



who want to open a hornets' nest on the Korean Peninsula and create a favorable condition for the presidential election. This adds to the seriousness of the situation. Aggression and war has been the last survival scheme pursued by all sorts of reactionaries in history whenever they are in a crisis. Traitor Kim Yong-sam of South Korea, facing the present political crisis and the crisis of the regime caused by the biggest amassing of illegal wealth in history and the anti-North confrontation strategy, is seeking a way out from a war.

Today, our people regard their duty to be defending the popular masses-centered socialism of our own style with arms, and safeguarding the security of the fatherland and the nation with their lives. Our people cannot remain onlookers to today's situation in which dialogue has turned into war. Since long ago, our people had already looked with due vigilance at the enemies' sophism concerning the guarantee of peace on the Korean Peninsula and resolution through dialogue. They refused our peace proposal to establish a device to prevent war on the Korean Peninsula. The reality shows that there is a limit to dialogue. In today's grave situation, in which it has become obvious that the South Korean puppets planned an actual war and all that is lacking is the physical sound of gunfire, we cannot but seek due countermeasures.

On 29 March, Vice Marshal Kim Kwang-chin, first vice minister of the Ministry of People's Armed Forces, issued a statement, saying: Our countermeasures will include steps regarding the DMZ and MDL situation, the status of which can no longer be maintained. The mission of our People's Army to defend the security of the fatherland and the gains of the revolution is not limited to defense against aggressive acts. It is the nature of our Army to answer fire with fire and a stick with a stick. Our People's Army will take a strong self-defensive step to smash the South Korean puppets if they dare touch an inch of our land and a blade of our grass.

Our people are filled with great confidence and optimism, as well as the enemy-defeating spirit to smash with a single blow the aggression of the South Korean war maniacs. Our people will always be victorious because they have the great leader [widachan yongdoja] of our party and people Comrade Kim Chong-il, who has perfectly embodied the chuche-based military ideology of the respected and beloved leader [kyongachanun suryongnim]. If the enemies dare come at us, we will annihilate the aggressors and pluck up the root of war on the Korean peninsula.

#### **DPRK Paper Comments on Death of ROK Student Demonstrator**

*SK0104100496 Pyongyang KCNA in English  
0956 GMT 1 Apr 96*

[**"Blood for Blood" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, April 1 (KCNA) — The Kim Yong-sam fascist clique mercilessly murdered No Su-sok, a student of Yonsei University in Seoul, in a peaceful anti-"government" demonstration on March 29.

Commenting on this, NODONG SINMUN today says the entire nation is expressing surging indignation at the murder of the innocent student.

No Su-sok had no reason to be killed by the puppets, the author of the commentary notes, and goes on:

That day he fought, together with above 10,000 fellow students, shouting "Kim Yong-sam, step down", "End to political corruptness." It was a righteous act and an eruption of pent-up grudge of South Korean people and students against the flunkeyist, treacherous, fascist and anti-social misrule of the Kim Yong-sam group.

The true colors of the Kim Yong-sam fascist group, who regard it as a child's play to kill people, have fully been revealed before the eyes of the world once again.

The reality has proven that with the Kim Yong-sam murderous clique left alone, students and people in South Korea can not enjoy democratic freedom and rights but inevitably become victims of harsh suppression, as No Su-sok did.

Blood should be returned for blood.

The South Korean students and people will never pardon the Kim Yong-sam fascist clique, who have answered with merciless suppression and murder the just demand for admitting their involvement in the slush fund scandal and stepping down.

#### **DPRK Envoy Discusses Request for UN Food Aid**

*OW0104144496 Tokyo KYODO in English  
1435 GMT 1 Apr 96*

[FBIS Transcribed Text] Geneva, April 1 KYODO — North Korea has asked the United Nations to appeal for immediate food aid on its behalf because the country is still in urgent need due to last year's massive flooding, a North Korean diplomat said Monday [1 April].

"The food and other assistance is still in the emergency phase in our country...Still we are in urgent need of food and other assistance," Pak Dok-hun, counselor with the North Korean mission in Geneva, told KYODO News.



Pak said North Korea made the request in a letter sent last Friday by North Korean envoy Li Cheul to UN Assistant Secretary General Yasushi Akashi through the UN Department of Humanitarian Affairs (DHA), a Geneva-based UN agency charged with coordinating disaster relief aid.

"We hope the new appeal will lead to substantive results and not to be used for ill purposes," Pak said.

The DHA appealed to UN member nations to contribute some 20 million dollars worth of food assistance to North Korea last September, but the target was not met.

North Korea said in February there was no need for the UN to make an appeal for additional food contributions on the grounds that the first appeal failed to draw sufficient contributions and there was a concern among the North Korean military that food assistance could be used for political purposes by some countries.

"We asked the UN and other international organizations not to issue another appeal because the actual assistance was very small compared with losses. The UN assistance sometimes was misused for other ill purposes," Pak said.

The DHA withdrew its staff in North Korea last month after winding up relief operations under the first UN appeal, but the World Food Program and some other UN organizations continue their food relief operations for North Korea.

Akashi said last month that the UN was ready to make a second appeal to member countries to provide food assistance to North Korea if requested.

#### **DPRK: UNDP Announces Sep Seminar on Najin-Sonbong**

*SK2903103796 Pyongyang KCNA in English  
1008 GMT 29 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 29 (KCNA) — Michael Underdown, director of the Tumangang [Tumen River] Secretariat of the United Nations Development Programme (UNDP), on March 28 had an interview with KCNA as regards the conclusion of the Sonbong joint meeting of telecommunications working group and infrastructure working group, sponsored by the UNDP.

He said that the recent meeting was held with good intention to build the Najin-Sonbong free economic and trade zone into a comprehensive one with state-of-the-art telecommunications, railways and ports of world standard.

He announced a plan to hold a worldwide seminar on investment in Najin-Sonbong city under the auspices of

the Tumangang Secretariat of the UNDP in September. He added that a series of activities would be conducted to promote investment before the seminar.

The world body would activate propaganda about Najin-Sonbong by every conceivable means, he said.

### **South Korea**

#### **ROK Daily on Clinton Visit, Bilateral Cooperation**

*SK3003121196 Seoul SEOUL SINMUN in Korean  
30 Mar 96 p 3*

[Editorial: "It Should Be an Occasion for Demonstrating ROK-U.S. Cooperation"]

[FBIS Translated Text] U.S. President Clinton's April visit to the ROK is to be made at a time when policies of our neighboring countries on the Korean Peninsula are showing indications of a delicate change. Thus, we view his visit as a historic occasion for the future of the Korean Peninsula, and we will pay keen attention to the results of the ROK-U.S. summit.

In particular, considering that President Clinton's visit to the ROK will be made before his visits to Japan and Russia, which are major nations involved with the Korean Peninsula, it is highly likely that the ROK-U.S. summit will discuss the promotion of bilateral cooperative relations and international order in Northeast Asia. However, issues concerning the future of the Korean Peninsula, including the issue of how North Korea should be dealt with, will be the core agenda during the summit.

Since the settlement of U.S.-DPRK nuclear negotiations, North Korea has begun to show signs of internal confusion prompted by serious economic difficulties and food shortages under its weakened leadership following Kim Il-song's death. It is true that differences have also been exposed between the ROK and the United States concerning observation and evaluation of North Korea's internal situation. The core of their differences concerns analysis of North Korea's true internal situation and the true intentions of North Korea's leadership. The two sides have also showed differences in ways to deal with North Korea.

We have fully grasped North Korea's tactics, strategy, tricks, and even physiological habits while confronting it for more than 40 years along the Armistice Line. Watching the process of past nuclear negotiations between the United States and North Korea, we realize how persistently North Korea has adhered to its tricks, designed to alienate and isolate the ROK from its allies, in an attempt to escape internal difficulties and international isolation. Besides, North Korea has frantically run amok



to realize contact with the United States and Japan by excluding the ROK after the nuclear agreement by taking advantage of the issues of missiles, the remains of U.S. soldiers missing during the Korean war, and even flood damage and food shortages. While raising the issue of resuming nongovernmental talks in Beijing on rice, North Korea has continued its fierce slander and smear campaign against the ROK, and deployed fighters in advance areas from which they can launch a surprise attack on Seoul in just six minutes. As such, North Korea has always adhered to double-dealing tactics.

We hope that during his upcoming visit to the ROK, President Clinton will confirm that the U.S. Administration's policy on North Korea is based on objective reality and that this policy will be pushed ahead under thorough prior consultations and cooperation with the ROK. Thus, we hope that he will again internationally demonstrate close friendly relations between the ROK and the United States.

**ROK Editorial on Clinton-Kim Summit Planned for 16 Apr**

SK3103012096 (Internet) The Digital Chosun Ilbo  
WWW in English 1203 GMT 30 Mar 96

[Editorial: "Chejudo Summit Meeting"]

[FBIS Transcribed Text] On the one hand there is currently a possibility of rejuvenating South and North talks but on the other hand there are indications that a crisis stage has been reached on the peninsula.

Gary Luck, Commander of US troops in South Korea, in testimony to the US Senate mentioned the possibility of an "early collapse" of the North and Vice-Marshall Kim Kwang-chin, first vice-minister of the North's People's Armed Forces, has gone on record as saying that "the breakout of war is only a matter of time". In addition, there was high tension in Taiwan Strait in the wake of the Presidential Election there.

Bill Clinton's decision to alter his previous plans and visit the South on April 16 came about as a direct result of the change in conditions on the peninsula. In the current circumstances close co-operation and discussion is needed with the US. We need to implement a maneuverable policy which is able to counter any negative situation that may arise on the peninsula.

Clinton's original plan to skip the peninsula on his way to a Russian and Japanese visit was the result of an error of judgment on the part of the US and a failure on the part of our diplomats however luckily the situation was corrected. It is regrettable that Clinton's visit is limited to a short meeting at Chejudo, not Seoul, but we do hope that the summit provides an opportunity for the leaders

of both countries to meaningfully exchange opinions in the ultimate pursuit of bringing about stability on the peninsula and in the North-East Asia region.

An effective policy towards North Korea can only be implemented after the two leaders agree on measures to block attempts by the North to take advantage of economic, political, trade etc. differences that exist between the US and the South. Furthermore, it is necessary for the leaders of both countries to clearly demonstrate their policy intentions in regard to the stability of the North-East Asia region so as to eradicate the possibility of instability arising in that area in the aftermath of the Taiwan presidential election.

**ROK Daily on Significance of Kim-Clinton Summit Talks**

SK3103044696 Seoul CHUNGANG ILBO in Korean  
31 Mar 96 p 6

[Editorial: "Clinton's Visit to the ROK Which Is Short But Important"]

[FBIS Translated Text] U.S. President Clinton will visit the ROK on 16 April and hold summit talks with President Kim Yong-sam at Cheju Island. Even though his visit will be brief, there are many expectations for the summit in connection with the situation surrounding the Korean peninsula. In particular, since the summit will be held right after the April general elections, and while the ROK and the United States will each be holding discussions on the possibility of contacts with North Korea, there are many issues the two countries must closely discuss. Moreover, there is great symbolic significance in the upcoming summit which will confirm the cooperative system between the ROK and the United States at a time when North Korea is showing a very provocative and threatening attitude.

Even though it is a coincidence, many events are concentrated in April which we must observe with deep interest. First, after the general elections, the ROK Government is preparing to show flexibility in its policy toward the North by making efforts to create an atmosphere for South-North dialogue. Moreover, recently U.S. contacts with the North have been on the increase. For example, the United States is planning contacts through various channels, including missile negotiations with North Korea and negotiations to return the remains of U.S. soldiers who died during the Korean war. In addition, there are moves to ease economic sanctions against North Korea, and there are signs that Panmunjom is taking pains to provide channels for military contacts between the DPRK and the United States.



North Korea's current situation makes us feel unstable with each passing day. North Korea is enhancing the intensity of its threats with each passing day, saying it will take ultimate measures regarding the status of the DMZ if the United States does not accept a tentative agreement prior to the peace agreement. Thus, on 29 March, under the name of the first vice minister of the North Korean Ministry of People's Armed Force, a threatening remark was broadcast stating: "Now the question is not whether a war will break out on the Korean peninsula, but when it will take place."

Under such a situation, it gives the impression that there has developed a gap in the ROK-U.S. cooperative system due to discord over Washington's policy toward the North over the past several months. It will not be a major problem if this is a temporary discord. A misunderstanding must not influence the traditional friendly and cooperative relations between the two countries.

For these various reasons, President Clinton's visit is significant. This will be an opportunity for the leaders of our two countries to harmonize our policy toward North Korea; to consolidate the cooperative system; and to manifest the firmness of the allied relations.

#### **ROK Editorial on Significance of Upcoming ROK-U.S. Summit**

*SK0104090596 Seoul HANGUK ILBO in Korean  
1 Apr 96 p 3*

[Editorial: "Harmonizing Policy on North Korea During the ROK- U.S. Summit Talks"]

[FBIS Translated Text] Regardless of the detente mood worldwide after the end of the Cold War, tension is escalating on the Korean peninsula with each passing day. Undoubtedly, North Korea's ambiguous status is the reason for the heightened tense situation. Even though the possibility of a collapse of the North Korean system has come to the fore as a result of the people's uneasiness following its economic crisis and serious food shortage, North Korea is openly threatening that it will make provocations against the South. President Clinton's visit to the ROK slated for 16 April has great significance in that it will be an opportunity for the heads of state of the two countries to hold consultations and seek ways to jointly deal with possible future provocations by North Korea.

It is true that the ROK people were very disappointed when Clinton eliminated the ROK from the itinerary of his Far East visit. They thought that for Clinton to visit Japan and not the ROK, which is another ally, meant that the ROK was being treated lightly. They were also worried that this would encourage North Korea, allow it

to make a misjudgment, and thus leave room to provoke the South. Therefore, it is fortunate for the security in this region that it was decided that Clinton pay a visit to the ROK at a time when the atmosphere on the Korean peninsula is very gloomy. The Korean peninsula is the only powder keg left in the world since progress has been made in the Middle East and the civil war in Yugoslavia has come to an end.

Of course, we are not happy about the way he is going to visit the ROK. Prior to his three-day visit to Japan, he will make a stopover on the island of Cheju, not Seoul, and will stay there for only about three to four hours. It will be an extremely short visit that will only consist of summit talks with President Kim Yong-sam and a joint news conference afterwards. But more important than great protocol, formality, and the number of days of his visit, is how sincerely discussions are held and what agreements are reached.

It is certain that the main agenda for the upcoming summit talks will be the North Korean situation and how to ease tension on the Korean peninsula. It is expected that the following issues will be discussed in detail: North Korea's situation and its unpredictable behavior as shown in North Korea's provocation against South Korea and signs of collapse aimed at diverting the people's anxiety over the food crisis to the outside as testified by Gary Luck, UN commander of the United States Forces of Korea, and the war- threatening press statement against the South by Kim Kwang-chin, first vice minister of the Ministry of People's Armed Forces; close cooperation to help North Korea's recovery; the enhancement of ROK- Japan-U.S. coordination; and the situation in Northeast Asia in the wake of the PRC's threat against Taiwan.

In particular, it is observed that Clinton will seek the ROK's understanding for the easing of trade sanctions, improving DPRK-U.S. relations, holding negotiations for the return of the remains of U.S. soldiers, and the holding of military contacts, which are aimed at luring North Korea to open up. The government, as a matter of course, must let the United States exercise its influence, assist, and cooperate in the event of unexpected situations such as a provocation by North Korea or its collapse, and especially, in controlling North Korea's production of missiles and chemical weapons, which are known to be only second and third to nuclear arms.

Since Clinton's visit to the ROK is extremely significant in that it will be an opportunity to restrain North Korea's threat and armed provocation, it is necessary to point out without fail in the meeting that the conclusion of a peace agreement must be done through direct



consultations with the ROK, and convey a message of warning that "there will be strong retaliation in case of a provocation."

**ROK Daily Discusses Clinton's Planned ROK Visit**

SKD104113696 Seoul KYONGHYANG SINMUN in Korean 1 Apr 96 p 1

[FBIS Translated Text] It has been learned that the United States and Japan have decided to stipulate Japan's right of collective self-defense in the "U.S.-Japan New Joint Security Declaration," which will be announced during the summit between the two countries in mid-April.

In this regard, there is concern that friction will be created between the ROK, the United States, and Japan over the expansion of the role of the Japanese Self-Defense Forces. A diplomatic source in Seoul on 31 March revealed that "while briefing ROK Foreign Minister Kong No-myong on U.S. President Clinton's scheduled visits to the ROK and Japan, the United States informed Kong of the policy of allowing collective self-defense rights to Japan."

The official said that "President Clinton's plan to visit the ROK to hold a summit with President Kim Yong-sam, after revising his initial plan, is mainly intended to obtain an advance consent from the ROK to "the New Joint Security Declaration."

The collective self-defense right is to allow a nation to use its force, even if it is not directly attacked, in the event that a third country to which it is closely related, including an ally, is attacked by armed forces. Therefore, recognition of this right means removing fetters of the Japanese Self-Defense Forces that are restricted to only defending their own country.

In the past, Japan interpreted that the exercise of the collective self-defense right violates Article 9 of its Constitution, which denies the right for engaging in a war (kyojonkwon). As such, Japan has not recognized the collective self-defense right. However, since the conservative Ryutaro Hashimoto cabinet was launched, signs that favor recognition of the right have emerged.

A relevant government official explained that "it is true that the United States wishes for the expansion of Japan's role in the Asian-Pacific region as its proxy."

The official also said that "since we are concerned about Japan becoming a big military power, our position is to disagree with Japan's exercise of collective self-defense right. Nevertheless, we are not in a position to strongly oppose it, because a considerable portion of our security is dependent upon U.S. Forces in Japan." Thus, he was hesitant.

**ROK: Winston Lord Interviewed on U.S. Ties, DPRK**

SK3003123896 Seoul CHOSON ILBO in Korean 30 Mar 96 p 2

[Report by Choe Chun-sok on "satellite video interview" with Winston Lord, U.S. assistant secretary of state for East Asia and Pacific Affairs, by unidentified reporters at the U.S. Information Service office in Seoul on 29 March; report by Choe Chun-sok; first paragraph is CHOSON ILBO introduction]

[FBIS Translated Text] Winston Lord, U.S. assistant secretary of state for East Asia and Pacific Affairs, said: "North Korea is not facing collapse" at a satellite video interview on 29 March. At the interview held at the U.S. Information Service in Seoul, he said: "It is very difficult to assess the situation in North Korea because it is a closed society." He added: "It is true the shortage of food and energy is serious." Following are the questions and answers exchanged at the interview.

[Reporter] We read contradictory reports from Washington on whether or not North Korea will collapse. General Gary Luck, the commander of U.S. Forces in Korea, recently said that North Korea is in the process of collapse, but other U.S. officials have denied this. Even the ROK and the United States appear to have different opinions.

[Lord] It is very difficult to assess the situation in North Korea because it is a closed society. We do not know why Kim Chong-il has not succeeded to the presidency, and we do not know what is happening in North Korea. The ROK and the United States have had in-depth discussions on the situation. When Minister Kong No-myong recently visited the United States, we discussed this again. The ROK, the United States, and Japan do not have significant differences of opinion on North Korean issues.

[Reporter] I understand that the United States has adopted a "soft landing" policy on the possible collapse of North Korea to minimize the aftereffects of the collapse. Do you think the current North Korean regime will continue?

[Lord] The ROK and the United States want a soft landing for North Korea. There should be minimum aftereffects from possible riots, unrest, and crisis in the process of the collapse. The United States is inducing Pyongyang to open to the international community. Trade with and investment in North Korea is very important. Above all, North-South dialogue is most important.



[Reporter] The United States reportedly asked the ROK to agree to U.S.-North Korean general-level talks proposed by North Korea last year. Would it not contradict the Geneva agreement, which stressed dialogue between parties concerned, to pursue such a meeting even though it is opposed by the ROK?

[Lord] We have always opposed direct dialogue with North Korea. Basically, the United States has maintained that position, is maintaining that position, and will maintain that position in the future.

The United States supports direct dialogue between the North and South. The United States will not directly discuss with North Korea the replacement of the Armistice Agreement with a peace agreement. North-South dialogue should precede discussions on the peace agreement. North Korea should discuss changing the armistice regime according to the basic agreement between the North and South signed in 1991. The peace agreement is an inter-Korean issue. Until a peace agreement is materialized, the current armistice regime should be maintained.

[Reporter] What is the status of U.S.-North Korean missile talks?

[Lord] That is a very important issue. Major concerns of the United States are North Korea's missile capacity and missile exports. Much effort has been given to this issue. We do not have a finalized schedule for negotiations with North Korea.

[Reporter] A Japanese newspaper recently reported that a high-ranking U.S. official visited Pyongyang to hold talks with the North Korean authorities and conveyed the message that the United States strongly desires to improve U.S.-North Korean relations. Is it true?

[Lord] It is not true. There were no high-level talks between the United States and North Korea. The opening of the liaison offices is being delayed due to technical matters.

#### **ROK Editorial: U.S.-DPRK Military Channel 'Undesirable'**

*SK3003042396 Seoul CHUNGANG ILBO in Korean 30 Mar 96 p 6*

[Editorial: "North Korea-U.S. General-Level Talks?"]

[FBIS Translated Text] The U.S. Government is reportedly trying to persuade the ROK Government to establish a channel at Panmunjom for North Korea-U.S. general-level talks. Several times during the past year, the United States has hinted at its desire to establish such a channel, but backed down since the ROK opposed it on every occasion.

However, the United States is again trying to persuade the ROK Government, this time so forcefully that it seems to be pressuring the ROK. Last year, in a letter from the commander of the UN Forces to the ROK defense minister, the United States stressed the need to establish a channel for North Korea-U.S. dialogue. Recently, the United States has tried to persuade the ROK by employing a high-level official of the U.S. Department of Defense.

In view of this sequence, it appears the United States will emphasize the need for more frequent and stronger North Korea-U.S. military contacts, doing so until a channel between North Korea and the United States is established at Panmunjom to discuss military affairs. According to North Korea's allegation, North Korean and U.S. field grade officers held as many as 10 rounds of working-level talks in 1995, all at U.S. suggestion, and agreed to hold general-level talks; however, the plan fell apart because the ROK opposed it. The ROK is well aware of the United States' anguish over its intention to establish a channel of military dialogue with North Korea. The ROK also keenly feels the need for a channel of dialogue since an unexpected emergency in the DMZ could threaten security on the Korean peninsula.

However, U.S. attempts to establish such a channel of dialogue with North Korea are undesirable because they would result in a virtual compliance with North Korea's attempts to paralyze the Armistice Agreement. Such a channel means the acceptance of North Korea's demand to bargain the security of the Korean peninsula, on which the ROK's fate is staked, by alienating the ROK, a party concerned.

However, we cannot allow the current situation to drag on endlessly. We should now find a more practical way out of the deadlock. As a measure to settle this matter, it is worth considering replacing the UN senior representative to the Military Armistice Commission with a U.S. general. We hope the ROK and the United States will solve this problem through close negotiations, and will not give the impression that there is a conflict between the two over this matter.

#### **ROK: U.S., DPRK Remarks on 'War Crisis' Analyzed**

*SK0104120296 Seoul HANGYORE SINMUN in Korean 1 Apr 96 p 3*

[Article by reporter Yi Sang-ki: "Why Are They Talking About the 'War Crisis on the Korean Peninsula' Again?"]

[FBIS Translated Text] The probability of a war crisis on the Korean peninsula has been mentioned once again.



Immediately after the United States made the remarks on the possible war provocation following the crisis of the North Korean system, North Korea released an extreme statement saying "war is a question of time" as if it had been waiting for the U.S. remarks.

However, as no such crisis is sensed either in South, North Korea, or in the United States, people are curious about the background of the intense "war of words."

The provocative remarks started from the U.S. side. Gary Luck, commander of the U.S. Forces in the ROK, told the U.S. Senate Military Committee on 8 February that "North Korea would attack the ROK in the near future in a desperate attempt to shift the people's attention from its internal situation to something else, otherwise it would collapse." CIA Director John Deutsch also made similar remarks at the U.S. Senate Information Committee on 22 February.

North Korea reacted to this immediately and severely. Vice Marshal Kim Kwang-chin, first vice minister of the North Korean People's Armed Forces, said "the mission of the People's Army is not limited to the defense of aggressive acts alone" and warned "the question is not whether a war will break out on the Korean peninsula or not, but when it will take place."

Kim's statement can be interpreted as a threat of a possible sudden preemptive strike. However, the ROK authorities concerned, such as the Ministry of National Unification and the National Defense Ministry, analyze it very aloofly. They view that "by heightening military tensions on the Korean peninsula, North Korea tries to create a favorable atmosphere for the improvement of its relations with the United States and Japan, and for the international community's food aid to North Korea."

According to the ROK authorities' explanation, in light of North Korea's invariable demand for the abolition of the Armistice Agreement and the conclusion of a peace treaty between North Korea and the United States, North Korea's statement is also aimed at opening a channel for military contacts with the United States, as well as strengthening unity within its system.

The ROK authorities do not pay great attention to the remarks by Gary Luck and John Deutsch on "the collapse of North Korea and its war provocation" because they believe that such remarks "can be made at any time" by high-level officials of military and intelligence organs, which are supposed to always prepare for the worst situation. However, some analyze that their remarks are greatly aimed at securing the defense budget as much as possible during the April budget deliberation by the U.S. Congress, as well as

in a way show the U.S. intention to forcibly sell its weapons to the ROK, as it used to.

Anyway, the ROK is very displeased with the game of words by both North Korea and the United States.

**ROK Daily: U.S.-DPRK Missile Talks Must Not Be at ROK Expense**

SK3003053896 Seoul HANGUK ILBO in Korean  
30 Mar 96 p 3

[Editorial: "Dubious North Korean-U.S. Missile Negotiations"]

[FBIS Translated Text] It is very noteworthy that the United States, which has long remained silent or denied the fact, officially confirmed for the first time that it has been conducting missile negotiations with North Korea.

Winston Lord, U.S. assistant secretary of state, said the missile negotiations are a precondition for improving relations based on the Geneva nuclear agreement, and that the United States has been closely discussing the matter with the ROK. However, we are curious to know which areas—development, production, deployment, or export of missiles—and which conditions the United States have been negotiating.

As far as missiles are concerned, North Korea can be described as an unheralded power. Prompted by PRC development of the DF61 ballistic missile in the 1970's, North Korea received technological assistance from the PRC and Egypt; it developed the 320 km-range Scud-D missile in the mid 1980's, which was based on the Soviet-made Scud-B missiles, and exported some to Iran. With the further development of the Scud-D, North Korea succeeded in developing the so-called Nodong-1 in 1991 and 1992.

The Nodong-1 has a range of 1,000-1,300 km, which could reach Khabarovsk, Beijing, and Tokyo, not to mention the Korean peninsula. It has been learned that North Korea is developing the Nodong-2 (Scud-E) with a range of 1,500-2,000 km, further improving the Nodong-1, as well as the Taepodong missile with a range of 2,000-2,500 km.

Assistant Secretary Lord added that under this grave missile situation, the United States is negotiating with North Korea on ways to stop missile exports to such countries as Iran and Syria. However, since the entire Korean peninsula will soon be within the range of North Korean missiles, we are extremely unsatisfied with the U.S. attitude of focusing only on the export of North Korean missiles rather than on restraining their development. Even more alarming is the fact that in return for stopping missile exports, North Korea is



demanding the signing of a peace agreement with the United States to replace the Armistice Agreement and the establishment of a joint military committee replacing the Military Armistice Commission [MAC].

Signing a peace agreement and disbanding the MAC are matters directly connected with stability on the Korean peninsula; needless to say, these matters should not be bargained away for U.S. international interests and convenience.

As far as missiles are concerned, the ROK is in an extremely disadvantageous position. The development of missiles, which we pushed ahead with during the Third and Fourth Republics, was scrapped by the New Military Group in 1980 upon U.S. request, without any objection being made; in 1990, the Sixth Republic committed a foolish mistake of signing an agreement with the United States restricting the development of surface-to-surface missiles to a range of 180 km. Being in the position of being threatened by missiles as well as nuclear bombs, the ROK voluntarily accepted the position of onlooker to the North Korean monopoly of missiles and to North Korean-U.S. bargaining.

The government should collect its mind. In order not to repeat the "alienation" we suffered in the second round of the Geneva nuclear negotiations, we should make it clear to the United States that the missile negotiations with North Korea should concentrate on prohibiting development, and that the peace negotiations should not be part of the bargaining. At the same time, the government should hasten to scrap the agreement that restricts the development of missiles to a range of 180 km.

#### **ROK: U.S., DPRK Agree To Hold Missile Talks 19-20 Apr**

*SK0104052496 Seoul TONG-A ILBO in Korean  
1 Apr 96 p 1*

[FBIS Translated Text] It has been learned that North Korea and the United States reached a final agreement to hold the first round of missile talks in Berlin from 19 to 20 April to discuss ways to stop North Korea from exporting Scud missiles to Middle Eastern countries.

The two sides have held negotiations on the date, venue, and agenda of the missile talks through the North Korean mission in New York since the beginning of March.

This is the first time the sides have held direct discussions on an arms-related issue except the nuclear issue through an official channel between the North Korean and U.S. authorities. The talks will be the first direct meeting between the North Korean and U.S. authorities

in about three months since the two sides held negotiations on the repatriation of the remains of U.S. soldiers missing in action in Hawaii in January.

Each side will send five delegates to the missile talks. Yi Hyong-chol, director of the Foreign Ministry's American Affairs Department, will lead the North Korean delegation, which mainly consist of Foreign Ministry officials. It is reported that no military figures will be included in the North Korea delegation.

The ROK Government will send a delegation to Berlin to hold discussions with the U.S. authorities while U.S.-DPRK missile talks are being held. In this regard, the ROK and the United States have agreed to hold a prior discussion within this week; the former will negotiate with Eine Horn [name as published], U.S. deputy assistant secretary of state for political and military affairs who is in charge of the missile talks, through the ROK Embassy in the United States or by dispatching a delegation to Washington.

Meanwhile, the ROK, the United States and Japan will reportedly fine-tune their stances on the forthcoming DPRK-U.S. missile talks at a tripartite high-level policy meeting to be held in Hawaii this week. The United States is expected to urge North Korea to stop exporting missile technologies, parts, and end-products to Middle Eastern countries such as Syria and Iran and to join the Missile Technology Control Regime as soon as possible.

In return for suspending its missile exports, North Korea will likely to demand that the United States lift additional sanctions against North Korea, drop North Korea from its list of terrorist countries, and make compensation in cash.

#### **ROK Article on Cases of Dollar Counterfeiting Involving DPRK**

*SK3103091696 Seoul SEOUL SINMUN in Korean  
28 Mar 96 p 8*

[Article by Pak Chae-pom]

[FBIS Translated Text] A man holding a North Korean diplomatic passport was arrested by Cambodian Police on 24 March for carrying millions of dollars of counterfeit U.S. currency in a car belonging to the North Korean Embassy in Cambodia. Suspicion over the involvement of North Korean officials in the incident is increasing.

Considering the fact that Cambodia is a hotbed of counterfeit currency, this may not be the first time North Korea has been involved in the counterfeit business. People are interested in the scale of distribution of counterfeit currency from here and the extent of North Korea's involvement.



North Korea's smuggling of counterfeit money and narcotics has been a headache for the international community for 10 years. Since 1981 there have been 10 major counterfeit cases discovered by Interpol and related ROK agencies. In 1992 a North Korean diplomat was deported from Egypt for using counterfeit dollars. There have been numerous counterfeit cases involving North Korea.

North Korea's counterfeit smuggling reportedly began in 1981 when North Korea purchased from an Austrian company Bridehen [name as transliterated] an ultra-precision printer and color offset machines for producing paper money and identification cards. After North Korea purchased the printing equipment, Kim Chong-il reportedly gave special instructions in 1984 to open the "101 Liaison Office" under the Social Cultural Department. The office was in charge of producing counterfeit dollars and distributing the money through overseas missions and trading corporations.

In 1987 North Korea tried to alter one-dollar notes to 100-dollar notes at the Label Printing Plant, North Korea's mint, but was later exposed by the international community. In 1988 North Korea tried to smuggle "red mercury," which is essential to producing counterfeit money, from Zaire.

Most people believe that North Korea's production and smuggling of counterfeit money is a last-minute means to overcome its serious lack of foreign currency.

#### **ROK: Arrest of DPRK, Japanese Counterfeiters Reported**

*SK3103004596 Seoul KBS-1 Television Network in Korean 1200 GMT 29 Mar 96*

[FBIS Translated Text] The true extent of North Korea's systematic counterfeiting of U.S. dollar bills has been exposed. Thai police and the International Police [Interpol] are investigating the secret transport of a large amount of counterfeit dollars, which was discovered along the Cambodian border on 25 March. They confirmed that North Korea is counterfeiting more than \$10 million annually, and that North Korea, the Philippine Communist Party, and the Japanese Red Army are involved.

Correspondent Chang Kyong-su reports from Bangkok. [begin recording]

[Chang] Thai police announced that the North Koreans who were arrested while attempting to secretly transport counterfeit dollars are Kim Kwang-kuk and Kim Son-kuk, commercial attaches with the North Korean Embassy in Phnom Penh. Thai police also revealed that when these two men were stopped on 24 March at the

Pabet check point along the Cambodia-Vietnam border, they attempted to buy off the check point guards by offering them a bundle of money. [video shows Thai policemen taking away an unidentified person, whose head is covered by a cloth]

A relevant Interpol official said there is a large plant in North Korea producing counterfeit U.S. dollars using Japanese and German-made inks, producing approximately \$10 million in counterfeit money annually. [video shows a policeman conducting a microscopic examination of an apparent counterfeit bill]

The official also noted there is a large counterfeiting group in Cambodia and North Korea; the Philippines Communist Party and Japanese Red Army are involved with this group.

The Japanese police demanded the extradition of Tanaka, but Thai police refused on the pretext of their joint investigation with Interpol. [video shows a Thai police official speaking to reporters]

Meanwhile, the two members of the North Korean Embassy have been confirmed by KBS through a videotape which it obtained exclusively. This is the scene at the North Korean Embassy in Phnom Penh. Staffers at the North Korean Embassy persistently refuse to have their photos taken. [video shows frontal view of DPRK Embassy, with three men standing in front of the embassy gate, followed by shaky shots of one of them, who is wearing glasses, blocking the cameraman]

[Chang, speaking in English] You are suspected of being involved with the Japanese Red Army. Is this true?

[Man wearing glasses, speaking in Korean] Go away. Go away. [He then shouts something in an unidentified language. Video shows frontal shots of the man gesturing, demanding the cameraman leave, as well as shots of the other two men approaching the cameraman, their expressions grim; one of them is smoking. Video then shows a still shot of the two men who were at the scene, with their faces circled; the caption at the bottom of the screen identifies them as Kim Kwang-kuk and Kim Son-kuk]

[Chang] Among those who emerged from the embassy, these two are the very men who were arrested while attempting to secretly transport counterfeit U.S. dollars across the Pabet check point on 24 March. The men have been identified as the second- and third- class commercial attaches of the North Korean Embassy.

These two men and Yoshimi Tanaka were arrested at the Pabet check point at 0930 in the morning of 24 March while crossing the Vietnamese border from Cambodia with counterfeit dollars.



The guards at the check point were waiting for them due to advance notification from Interpol, having with them a picture of Yoshimi Tanaka. [video shows the border area where an arch stands, then cuts to a still photograph of a car parked in front of the guard post] When their identities were revealed, Yoshimi and the others persistently resisted in the car for 32 hours until 1800 on the afternoon of the following day. [video shows a policeman inspecting a passport, then cuts to a still photograph of two separate pages of Tanaka's passport, including the page with his photo]

The Cambodian authorities finally released the two men since they held diplomatic positions in the North Korean Embassy, and only turned over Tanaka Yoshimi to the Pataya police in Thailand, who requested him. [end recording]

#### **ROK: DPRK Forms 2 Working-Level Bodies for Reactor Project**

*SK3103054396 Seoul CHOSON ILBO in Korean  
31 Mar 96 p 2*

[Report by Song Ui-tal]

[FBIS Translated Text] It was learned on 30 March that North Korea has organized a working-level body to accommodate the project to construct light-water reactors, and that the new body is carrying out preliminary work for the construction, such as migrating people and schools from Sinpo where the light-water reactors will be constructed.

Choe Yong-chin, deputy executive director of the Korean Peninsula Energy Development Organization [KEDO], visited North Korea from 26 to 30 March as a member of a KEDO delegation that included the director general, the purpose being to inspect Sinpo, South Hamgyong Province, the site of light-water reactors. He stated: "To help facilitate the construction of the light-water reactors, North Korea has already moved from Sinpo to other areas a school and some 140 households among a total of 500." He continued: "It has been confirmed that North Korea also formed another working-level body for the light-water reactor construction headed by Ho Chong, who led the North Korean delegation to negotiate the reactor construction."

He added: "I got the impression that North Korea is actively conducting work as regards the reactor project." He also said: "North Korea will send a 12-member delegation, led by the director of the Foreign Ministry Consular Affairs Department, to follow-up negotiations on the reactor construction, which will be held in New York beginning on 8 April."

KEDO Executive Director Stephen Bosworth, Deputy Executive Director Itaru Umezu, and other members of the KEDO delegation, who had visited North Korea with Deputy Executive Choe, returned to their respective countries via Beijing on 30 March.

#### **ROK Defense Ministry Dismisses DPRK Vice Marshal's 'Threat'**

*SK2903111896 Seoul YONHAP in English  
1056 GMT 29 Mar 96*

[FBIS Transcribed Text] Seoul, March 29 (YONHAP) — The Defense Ministry on Friday dismissed as another piece of their typical threat against the South the threatening remarks made by a senior North Korean military officer earlier in the day.

"We believe the remarks were no more than a piece of their typical threat directed against the our Hoguk '96 military exercise," a senior ministry official said in an unofficial comment.

Kim Kwang-chin, vice marshal and first vice people's Armed Forces minister, said North Korea may take steps of a kind that ought to be taken in a situation where the Demilitarized Zone can no longer remain a buffer area.

In a statement aired through the North Korean central radio, Kim, contending that "unusual military movements are taking place South of the Military Demarcation Line," said his People's Army would be obliged to take proper actions to cope with the situation.

The Defense Ministry official, while noting North Korea used to issue firm-worded statements whenever the Team Spirit training exercise took place in the past, said Kim Kwang-chin's remarks appear to have been a statement of this nature.

He added that even after the statement, there have been no unusual signs in the northern sector of the Demilitarized Zone.

#### **ROK Dailies React to DPRK Proposal for Inter-Korean Dialogue**

*SK3003130196*

[FBIS Report] The following is a compilation of editorials published in ROK vernacular dailies on 30 March concerning the North Korean proposal for inter-Korean dialogue.

The conservative CHOSON ILBO carries on page 3 an 800-word editorial titled "North Korea Should Become More Frank." Stating that "negotiations in a third country in a convenient way in order merely to obtain rice is not regarded as sincere dialogue" but is instead "a mean trick to use the South," the editorial urges North



Korea to "become more frank" to achieve South-North dialogue. The editorial then stresses: "North Korea should be aware of the fact that acceding to dialogue between the South and North Korean authorities is the only way to overcome its economic and security crisis and should meet the three conditions put forth by South Korea for the resumption of South-North dialogue." The editorial also hopes North Korea will "understand that though some people within the ROK, with an innocent or a hypocritical intention, insist on providing 'unconditional support' to North Korea, the absolute majority of the people feels quite the opposite."

The moderate KYONGHYANG SINMUN carries on page 3 an 800-word editorial titled "The Minimum Requirements for South-North Dialogue." The editorial welcomes the ongoing discussions on resuming South-North dialogue as "desirable" progress, but at the same time it stresses that the "minimum requirements" should be satisfied for "real dialogue" and that North Korea "should observe the minimum decorum with its dialogue partner." The editorial notes that it was "not proper" for North Korea to propose the resumption of dialogue via facsimile through the Korea Trade Promotion Corporation office in Beijing, instead of through a government-level channel for South-North dialogue. Disagreeing with the North Korea-proposed venue, Beijing, the editorial suggests holding South-North dialogue in Seoul, Pyongyang, or Panmunjom. As another prerequisite for South-North dialogue, the editorial suggests that North Korea's slander of South Korea should be suspended.

The editorial then advises the ROK Government to realize that "dialogue cannot be held by force or by begging" and urges the government not to make "undue efforts" to promote South-North dialogue.

The left-leaning HANGYORE SINMUN carries on page 3 an 800-word editorial titled "We Should Use Rice Talks." The editorial notes that the ROK Government's three demands — holding talk on the Korean Peninsula, proposing dialogue through an official channel, and refraining from slandering South Korea — show that "South Korea's attitude remains unchanged, just like North Korea's attitude remains unchanged." The editorial also notes that North Korea's proposal for South-North dialogue following its repeated request for aid from international organizations suggests that North Korea might have recognized that it is "unrealistic" to achieve food aid without opening itself and improving South-North relations. The editorial urges the government not to handle South-North issues "based on the people's temporary sentiments or on attempts to influence the upcoming elections." The editorial then stresses: "There is no reason for the government to ad-

here to the conditions it has set forth for dialogue if reunification is, in fact, its ultimate goal."

#### **ROK: DPRK Factories 'Operating at Less Than 30% Capacity'**

SK3003112796 Seoul SEOUL SINMUN in Korean  
30 Mar 96 p 7

[Report by Ku Pon-yong]

[FBIS Translated Text] It has been learned that North Korea's industrial facilities are operating at less than 30 percent of capacity due to shortages of energy and raw materials, and due to frequent breakdowns caused by obsolescence.

A high-ranking government official on 29 March stated that "because of a shortage in the amount of crude oil brought to Sungni Oil Refining Plant — the largest oil refining plant in North Korea with two million tons of annual refining capacity — the plant has operated only 30 days since 1994."

The official said that "the Kim Chaek Iron Complex, the largest iron plant in North Korea with 2.4 million tons of production capacity, which accounts for 40 percent of total iron production in North Korea, is operating only one smelting furnace out of seven due to difficulties in importing coking coal and shortages of electric power."

He pointed out that "most of the major industrial facilities in North Korea are worn-out facilities that were imported from China and the former Soviet Union during the 1950s and 1960s. In addition, because of energy and raw materials shortages, they are actually operating at only 25 to 30 percent of capacity."

This official added that with stagnation in the petrochemical industry, the consumer goods industry is operating at only 20 percent of capacity. As a result, the North Korean people are suffering from a shortage of materials, including daily necessities.

#### **ROK Defense Ministry Warns DPRK Against 'Provocations'**

SK3003092696 Seoul YONHAP in English  
0845 GMT 30 Mar 96

["South Korea Warns North Korea Against Possible Provocation" — YONHAP headline]

[FBIS Transcribed Text] Seoul, March 30 (YONHAP) — South Korea warned Saturday that the North will pay a dear price if and when it provokes the South militarily.

"Our armed forces solemnly warn that North Korea, in the event it resorts to reckless provocations to gloss over



its internal problems, will pay a corresponding price," the Defense Ministry said in a statement.

The warning came one day after Kim Kwang-chin, first vice minister for the People's Armed Forces in the North, threatened to take action against what he called South Korean military moves that could suggest an impending war.

"We are ready to cope with any North Korean schemes and provocations immediately and resolutely under the combined combat posture of the Republic of Korea and United States forces," the ministry said.

The South has persistently pursued the improvement of inter-Korean relations through eased tensions and dialogue, the statement noted, adding, "the existing armistice agreement should be abided by thoroughly until a firm peace regime is established between the South and the North, and cannot be scrapped unilaterally."

#### **ROK: Japanese Delegation: Tension 'Building' in DPRK Military**

SK0104002896 (Internet) *The Chungang Ilbo* WWW in English 1 Apr 96

[FBIS Transcribed Text] A delegation from Japan's Research Institute on International Issues, which is affiliated with its Foreign Ministry, recently returned from a visit to North Korea and reported that it gained the impression that tension was building within the Stalinist nation's military. According to a report by the TOKYO SHIMBUN on the 31st, the delegation stated that "even Kim Chong-il was reported to have inspected a site near Panmunjom recently. The military appeared to be nervous about current relations with the South."

#### **ROK Daily Supports ROK Restraint on PRC Human Rights Issue**

SK3103105296 *Seoul KYONGHYANG SINMUN* in Korean 28 Mar 96 p 3

[Editorial: "Deal With the Chinese Issue Discreetly"]

[FBIS Translated Text] It appears that concerning the United States' denunciation of China on human rights, our government has fallen into an awkward position. This is because U.S. Secretary of State Christopher officially requested ROK Foreign Minister Kong No-myong, now on a visit to the United States, to support the draft resolution of the UN Human Rights Commission denouncing China on the human rights issue. To this, Minister Kong merely revealed a basic stance for the time being, stating that "taking into account our human rights policy and relations between the ROK and PRC and between the ROK and the United States, the ROK will discreetly handle the issue."

In fact, when the U.S. secretary of state officially requests our foreign minister's support on a certain diplomatic issue, the request often has greater importance than merely as a simple request, because we ourselves have had a number of cases of diplomatic support from the United States in the international arena. Nevertheless, we expressed a prudent position toward the U.S. request this time, thus in effect refusing the request. We consider this an appropriate measure, because excessive interference in China's domestic affairs, which is not an issue directly linked to our interests, is undesirable.

In addition to viewing the issue as interference in others' internal matters, there are a few more reasons for us to prudently deal with China on the human rights issue. That is: It is, first of all, too early for us to raise the Chinese human rights issue. In other words, for us there is North Korea, whose human rights situation is more serious than China's. However, we have not been able to raise the North Korean human rights question in a timely and adequate manner. This being the case, it is not appropriate for us to talk about China's human rights issue and the like. Moreover, although the people acknowledge that our human rights have improved a great deal since the civilian government took office, it has been only a few months since North and South Korea waged a verbal battle in the United Nations over the human rights issue. In a nutshell, we are not in a position to make loud noises about the human rights issues of other countries.

Another point to which we should pay attention is that the diplomatic position we ought to take between the United States, our closest ally, and China, a big, new military power, which is closest to our nation in terms of geography and history, should now change from the past. During the cold war era, our position was rather simple because the difference between our allies and enemies was clear. However, the present situation is that although the United States still remains our closest ally, China, which was our enemy in the past, has become a subject for cooperation, and its relations with us are gradually increasing and expanding.

This being the situation, in the event that discord is bred between the United States and China, our position will become all the more complex, thus requiring prudence. From this standpoint, the government should take the current issue concerning denunciation of China's human rights situation as an important occasion for mapping out measures to cope with a new diplomatic problem that we may encounter in the future.



**ROK: Prosecution Indicts Presidential Aide for Bribery**

SK3003033896 Seoul YONHAP in English  
0259 GMT 30 Mar 96

[FBIS Transcribed Text] Seoul, March 30 (YONHAP) — Prosecutors formally indicted Chang Hak-no, a former personal aide to President Kim Yong-sam, on charges of illegal use of his good offices and bribery over the weekend.

Chang was charged with having taken bribes totaling 622 million won (800,000 U.S. dollars) from 14 companies, including the Hyosung and Jinro Business Groups, in return for using his good offices to protect their business interests while he was serving as a presidential aide between February 1993, when he was appointed as President Kim's aide, and last week when he resigned after allegations of his hidden assets were made, the Seoul District Prosecutor's Office announced.

Also indicted were Chang's live-in girlfriend, Kim Mi-cha, and her brother Ui-yong on charges of violating the law concerning registration of real estate.

Chang was discovered to have garnered a total of 2.76 billion won in illicit funds before and after holding office from some 40 people on 170 occasions, with 2.1 billion won of them raked in while he was working at Chongwadae [presidential offices].

Of the total, 622 million turned out to have been accepted in return for the use of his good offices against which criminal charges can be leveled, prosecutors said.

Investigators noted, "We've confirmed that those who gave money to Chang were mostly entrepreneurs, but we'll continue our probe into on whether or not officials from the government and state-run companies handed dirty money to him as well."

Meanwhile, prosecutors also found out that Chang's live-in girl, Kim Mi-cha, and her family have 4.4 billion won in assets, including 2.07 billion won worth of real estate.

**ROK: Kim Tae-chung 'Ready To Form' Coalition With NKP**

OW3103073396 Tokyo KYODO in English  
0709 GMT 31 Mar 96

[FBIS Transcribed Text] Seoul, March 31 KYODO — South Korean opposition leader Kim Tae-chung said Sunday [31 March] his party is ready to form a coalition cabinet with the ruling New Korea Party (NKP) if the NKP loses its majority in the upcoming parliamentary elections and President Kim Yong-sam asks for help.

Kim, chairman of the largest opposition party National Congress for New Politics (NCNP), made the remarks in an interview with KYODO NEWS ahead of general elections for the National Assembly on April 11.

South Korea's most renowned former dissident said his party would also consider a coalition with the splinter United Liberal Democrat (ULD) Party led by Former Prime Minister Kim Chong-pil, depending on the NKP's stance after the elections.

"It is almost certain that the ruling party will fail to maintain its majority in the new National Assembly, further weakening the government of President Kim Yong-sam," Kim said.

"I am ready to cooperate, including forming a coalition after the election if President Kim Yong-sam calls for help. But if (the president) continues to take a dogmatic attitude and [as received] I will form a coalition with the ULD to challenge (Kim Yong-sam)," Kim said.

President Kim's five-year presidential term expires in February, 1998.

The NCNP leader said there are three scenarios for cooperating with the ruling party after the elections.

"The first one is to cooperate on a case-by-case basis, the second is to forge a coalition cabinet with the ruling party, being responsible together for the management of state affairs, and the final one is to form a cabinet supported by all political parties," Kim said.

He said his choice of strategy would depend on how President Kim reacts to the election results.

Asked to predict the outcome of the elections, Kim said he is optimistic his party will win one-third of the 299 National Assembly seats, saying, "there is a possibility that our party will score unexpectedly big wins."

In response to a question on political realignment, he said he would oppose any moves to disband or realign political parties, saying that that would invalidate the results of elections and deny "politics by political parties."

Kim also said he would try to hold a parliamentary hearing in the new National Assembly and force President Kim to testify on allegations that 300 billion won from former President No Tae-u's illegal slush funds were used to bankroll Kim's 1992 victorious election campaign.

"We will unveil the whole state of affairs on the source of President Kim's election funds at the parliamentary elections and we have a memo as evidence of Kim's acceptance of No's money and there is also a witness to testify," Kim said.



No is standing trial on charges of taking billions of won in bribes from business executives while in office.

Asked whether he would run in the presidential elections scheduled for late 1997, Kim said he would make a decision late this year, after looking at the results of the parliamentary elections.

After the elections, Kim plans to visit the United States, Japan, China and Russia and exchange views with leaders of those countries, particularly Japan and the United States.

He also called on President Kim to be more humble in dealing with the NCNP.

"People in the nation already saw the unhappy sight of two former presidents being jailed. I don't want to see Kim becoming unhappy," Kim said.

Kim and fellow former dissident leader President Kim have dominated South Korean politics for nearly 30 years.

The NCNP leader made a political comeback last July after his political retirement right after losing the 1992 presidential election to Kim Yong-sam in his third bid to win the presidency.



## Burma

### Burma: Opposition Leader Increases 'Attack' on Junta

BK3103122196 Melbourne Radio Australia  
in English 1100 GMT 31 Mar 96

[FBIS Transcribed Text] Burma's opposition leader, Aung San Suu Kyi, has dramatically increased her attack on the military government, saying its actions are consistently lawless. Evan Williams reports from Rangoon that the accusation is contained in a letter from the National League for Democracy to the head of the military regime accusing it of lawless leniency for the people of Burma:

[Begin recording] Burma's opposition is increasingly frustrated with the regime's refusal to open talks, but it is even more annoyed by what it called the arbitrary use of laws that curb its activities. It says since Suu Kyi's release about 50 people connected with the opposition have been detained, with 17 given maximum jail terms for minor offenses. It says 21 opposition activists already in jail have just been given new terms for writing to the UN and collating news. Its letter says the regime's aim is the restoration of law and order, yet the authorities' actions are not in accordance with the law but are consistently lawless. That will anger the regime, which sources say is ready to open talks if Suu Kyi behaves differently, implying she first accept their conditions. Regime is using jail terms to curtail opposition and prevent either a security incident or a new movement. [end recording]

### Burma: NLD Secretary Interviewed on Letters Sent to SLORC

BK3103162496 London BBC in Burmese  
to Burma 1345 GMT 30 Mar 96

[FBIS Translated Text] Dear Listeners: It has been learned that U Aung Shwe, chairman of Burma's opposition party, the National League for Democracy [NLD], sent two letters this month to Senior General Than Shwe, chairman of Burma's State Law and Order Restoration Council [SLORC].

During an interview with U Win Htein, secretary of the NLD and assistant to Aung San Suu Kyi, Daw Tin Htar asked him about the content of U Aung Shwe's letters to the SLORC:

[Htein] The first letter was dated 25 March and addressed to Senior Gen. Than Shwe. It was about six pages long. The content was a bit long because it discussed incidents from the very beginning. It sought to fix a date for the first people's assembly and to arrange for coordination among the representatives of the people's assembly. This was the content of the letter.

[Htar] What about the second letter?

[Htein] The second letter was a protest letter. It was sent to protest the authorities' actions against NLD members or people connected with the NLD, saying these are lawless acts. The second letter was dated 29 March. This letter was also addressed to Senior Gen. Than Shwe and was signed by U Aung Shwe.

[Htar] First, I would like to ask you about the first letter. In this letter, U Aung Shwe talked about the election. Why did the NLD send this letter; what was its purpose?

[Htein] In brief, the purpose of the first letter was to tell the SLORC to arrange the first people's assembly since the election with the elected representatives. Concerning the convening of the assembly, the SLORC has issued various declarations, delivered numerous speeches, and held many new conferences since it came to power, but nothing has happened. The letter was sent to the SLORC to say that it has been six years and they are delaying the process. This is why the SLORC was asked to arrange the people's assembly.

[Htar] In the 1990 election, it was prescribed that the term of the assembly was four years, right?

[Htein] I am not well versed in this area. So far the SLORC has not announced that the election results [preceding word in English] are null and void. Therefore, we believe that the representatives are still considered elected representatives.

[Htar] Is it possible to say that the people's assembly, which has never been convened, has already been dissolved because the term of the people's assembly was prescribed as four years during the election?

[Htein] If so, then the SLORC must announce it. We have not seen such an announcement.

[Htar] What significant response does your side expect by writing these letters?

[Htein] I cannot say exactly. The SLORC may totally ignore these letters or it may take action against NLD Chairman U Aung Shwe for writing them. This is my guess.

[Htar] Did the NLD write these letters to express its opposition to the present situation?

[Htein] Yes. Our NLD has always sought to hold talks since 1988 and even after we walked out of the National Convention. The SLORC has ignored our requests and has been attacking us in various ways. We still have many representatives of the people's assembly in the NLD. The question is: Why were they elected? The SLORC has a responsibility to convene the first people's



assembly. The letter was sent to the SLORC to inform them and ask them to convene the people's assembly, as is their duty.

[Htar] Recently it was announced that the parliament will have two houses and so on. It seems that the SLORC will continue its procedures. What kind of action does the NLD plan to take to legitimize the 1990 election results?

[Htein] We have sent these letters and now we must await the SLORC's response. As I said, the SLORC may totally ignore the letters; it may take action or it may do nothing. We will consider our next move based on their response.

[Htar] If we look at past incidents, the SLORC has usually ignored such matters. What will your side do if the SLORC fails to respond?

[Htein] We have always asked to hold talks. Another thing is that we will continue to work through peaceful means [preceding two words in English]. I cannot say what action will be taken. The leaders will confer and come up with a program later.

#### **Burma: Report Views NLD Campaign To 'Provoke' Junta**

*BK0104094196 Melbourne Radio Australia in English 0630 GMT 1 Apr 96*

[From the "International Report" program]

[FBIS Transcribed Text] Burma's opposition leaders have launched a new campaign to provoke the military government into dialogue or tough action against them, even if that means rearrest. The aggressive new tact that appears destined for confrontation was launched on the weekend, with opposition leader Aung San Suu Kyi's strongest antigovernment speech since her release. She questions their abuse of the law.

Evan Williams reports the opposition has, for the first time, accused the government of consistent lawlessness and its bid to curtail opposition activities:

[Begin recording] [Williams] Until now Suu Kyi's gateside speeches have been reasonably polite criticisms of government mismanagement, but for the first time she has raised the specter of unrest to a receptive 4,000-strong crowd. For now we are saying we want dialogue, she said, but if the government calls speaking out against someone who had done something wrong confrontation then I accept it. Each time she stopped short of calling for antigovernment actions, but frustrated by the lack of talks with the military she stresses peaceful resistance so far has not worked.

Since her release Suu Kyi has been marginalized and 17 people connected with opposition events given maximum jail terms for minor offenses. Another 21 opposition activists already in jail have just been given heavy new jail terms up to 12 years for collecting news and writing to the United Nations. The military is using the law in a bid to curtail opposition activity and prevent a movement or security incident that could turn against them. But it has angered Suu Kyi and provoked the opposition to take an aggressive new tact aimed at sparking some form of confrontation with the military.

Suu Kyi's personal adviser, U Win Htain, says the government is trying to knock off the movement's limbs but they will now try to force the regime into a decision either to talk with or draw the regime's fire to the opposition's leadership:

[Htein] So far they have ignored our movement. They have ignored our demand — our request — and we will make them that they could not ignore us any longer. The action we search is try to take action against us and we are ready to be arrested again — all the leadership.

[Williams] Right. So at the moment you are being ignored. Is it better if you are, in fact, arrested for the movement?

[Htein] Yes it is. We welcome the arrest. It will be better for our cause.

[Williams] Because at the moment, really, they have got you cornered, haven't they?

[Htein] Yes, of course. They seem to be confident that they can marginalize Daw Aung San Suu Kyi, but we will try to find a way that they cannot do so.

[Williams] So does that mean you are going to try and provoke some sort of action?

[Htein] [Laughs] Opposition is a big word.

[Williams] In a letter just sent to the regime, the NLD [National League for Democracy] says the Army's stated role is to restore law and order. Yet it says the authorities' actions are consistently lawless. It says defendants are tried without legal help, the prevention of her trip to Mandalay was against the law, and cases manipulated to give activists heavy jail terms. By contrast, it said when the military gets in trouble they are freed.

As it attacks the very heart of its justifications for taking power, the new tactic will anger the regime. Clearly frustrated with her, senior sources within the regime say if she behaves differently the results could be better. That implied they could still open talks with Suu Kyi if she stops criticizing the regime and accepts



their conditions. If she was a clever politician, they say, she would not do like this. What she is doing now prevents that happening. He stressed the regime will do anything necessary to protect its political and economic goals, even if that risks international condemnation. That appears to leave both sides on a collision course. The question is how long will the government tolerate an increasingly critical voice in a country where such criticism simply is not allowed. [end recording]

**Burma: National Convention Delegates Hear Principles on Judiciary**

*BK3103122096 Rangoon TV Myanmar Network in Burmese 1330 GMT 30 Mar 96*

[FBIS Translated Text] The National Convention plenary session continued at 0900 today at the Central Conference Hall of the President's Residence Compound on Ahlone Road, Yangon [Rangoon]. The session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission (NCCC); NCCC Vice Chairmen Lt. Gen. Maung Thint and Brigadier Gen. Myo Thant; and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee (NCCWC); NCCWC Vice Chairman U Tha Dun; and committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee; and committee members; National Convention delegates; and local and foreign journalists.

NCCC Chairman Lt. Gen. Myo Nyunt acted as chairman while NCCC Secretary Brig. Gen. Aung Thein acted as secretary of the meeting. The secretary declared the session valid based on the attendance of 517 out of 586 eligible delegates.

To lay down the detailed basic principles on the judiciary that will be included in drawing up a state constitution, NCCWC Chairman U Aung Toe read and explained pages 595-615 on the detailed basic principles on distribution of state power and formation of the union Supreme Court.

Continuing, NCCWC Vice Chairman U Tha Dun read and explained pages 616-634 on the detailed basic principles on the union chief justice, union Supreme Court, qualifications of judges, rights of the state president or the union assembly in a situation where a union chief justice or Supreme Court judge becomes unsuited to continue his or her duties, and conferring rights to the state president. The plenary session took a short break at 0955.

When the session resumed at 1010, NCCWC Secretary U Aye Maung read and explained pages 634-676 on the detailed basic principles on impeachment of

the union chief justice or a Supreme Court judge; terms of office of the union chief justice and Supreme Court judges; retirement of the union chief justice and Supreme Court judges; keeping the union chief justice and Supreme Court judges free from party politics; and responsibilities, rights, and privileges of the union chief justice and Supreme Court judges.

Continuing, NCCWC Member U Aung Khin Tint read and explained pages 676-692 on the detailed basic principles on the formation of high courts in the regions or states. The session was temporarily adjourned at 1130.

When the session resumed at 1230, NCCWC Joint Secretary-1 U Thaung Nyunt read and explained pages 693-721 on the detailed basic principles on qualifications of chief justices and judges of high courts of the regions or states, conferring rights to the state president or chief minister of a region or state in a situation where a chief justice or judge of a high court of a region or state becomes unsuited to continue his or her duties, and impeachment of a chief justice or judge of a high court of a region or state.

Continuing, NCCWC member U Thein Sein read and explained pages 721-749 on the detailed basic principles on the terms of office for chief justices and judges of high courts of regions or states; keeping chief justices and judges of high courts of regions or states free from party politics; retirement of chief justices and judges of high courts of the regions or states; responsibilities, rights, and privileges of chief justices and judges of high courts of the regions or states; formation of different levels of courts under the high courts of the regions or states; appointment of judges to these different level of courts; conferring authority to the judges; prescribing their responsibilities, rights, and privileges; formation of civil service organizations in these courts; and prescribing responsibilities, rights, and privileges of these organizations. The session recessed at 1335 and resumed at 1405.

In accordance with the suggestions made by a majority of convention delegates, NCCWC Chairman U Aung Toe read and explained the compilation of prescribed basic principles related to the judiciary from pages 750 to 777. After this, NCCC Chairman Lt. Gen. Myo Nyunt delivered an address.

**Burma: National Convention Delegates Hear Principles on Executive**

*BK2903165096 Rangoon TV Myanmar Network in Burmese 1330 GMT 29 Mar 96*

[FBIS Translated Text] The National Convention plenary session continued at 0900 today at the Central



Conference Hall of the President's Residence Compound on Ahlone Road, Yangon [Rangoon]. The session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission (NCCC); NCCC Vice Chairmen Lt. Gen. Maung Thint and Brigadier Gen. Myo Thant; and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee (NCCWC); NCCWC Vice Chairman U Tha Dun; and committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee; and committee members; National Convention delegates; and local and foreign journalists.

NCCC Chairman Lt. Gen. Myo Nyunt acted as chairman while NCCC Secretary Brig. Gen. Aung Thein acted as secretary of the meeting. The secretary declared the session valid based on the attendance of 521 out of 586 eligible delegates.

To lay down the detailed basic principles on the executive that will be included in drawing up a state constitution, NCCWC Chairman U Aung Toe read and explained pages 271-305 on the detailed basic principles on the formation of the union government; prescription of the ministries and number of ministers by the state president; qualifications of union ministers; appointment and responsibilities of union ministers and deputy union ministers; impeachment of union ministers; terms of office, resignation, and termination of union ministers and deputy union ministers and the right to fill vacant positions; nomenclature for the union attorney general; appointment and impeachment of the union attorney general; appointment of the deputy union attorney general; and the terms of office, resignation, and termination of the union attorney general and deputy union attorney general and the right to fill vacant positions.

Continuing, NCCWC Vice Chairman U Tha Dun read and explained pages 306-327 on the detailed basic principles on nomenclature for the union auditor general; appointment and impeachment of the union auditor general; appointment of the deputy union auditor general; and terms of office, resignation, and termination of the union auditor general and deputy union auditor general and the right to fill vacant positions. The session took a short break at 1010.

When the session resumed at 1025, NCCWC Secretary U Aye Maung read and explained pages 327-386 on the detailed basic principles on formation of the union civil service board, formation of regional or state governments, appointment and responsibilities of chief ministers and ministers of regions or states, and terms

of office of chief ministers and ministers of regions or states. The session adjourned temporarily at 1130.

When the session resumed at 1215, NCCWC member U Thein Sein read and explained pages 387-428 on the detailed principles on impeachment of chief ministers and ministers of regions or states; resignation and termination of chief ministers or ministers of regions or states; the right to fill vacant positions and the classification of rank; nomenclature for region or state advocates general and region or state auditors general; appointment, impeachment, resignation, and termination of region or state advocates general and region or state auditors general; and the right to fill vacant positions. The session recessed at 1300.

When the session resumed at 1330, NCCC Vice Chairman Lt. Gen. Maung Thint acted as chairman. NCCWC member U Aung Khin Tint suggested that the administrative departments in the self-administered divisions or self-administered zones be called self-administered division leading bodies or self-administered zone leading bodies. He read and explained pages 429-465 on the detailed principles on the formation of these bodies.

NCCWC Joint Secretary-1 U Thaung Nyunt read and explained pages 465-500 on the detailed basic principles on the administration of the union territories of Yangon City and Coco Gyun Township. The meeting recessed at 1520.

When the session resumed at 1550, NCCWC Secretary U Aye Maung read and explained pages 501-529 on the detailed basic principles on district and township-level administration.

In accordance with the suggestions made by a majority of convention delegates, NCCWC Secretary U Aye Maung read and explained the compilation of prescribed basic principles related to the executive from page 530 to 550 while NCCWC Vice Chairman U Tha Dun read and explained pages 551-568 and NCCWC Chairman U Aung Toe read and explained pages 568-594.

With the permission of the chairman, the plenary session ended at 1745. The National Convention plenary session will continue at 0900 on 30 March.

#### **Burma: National Convention Plenary Session Resumes**

*BK2903045096 Rangoon TV Myanmar Network in Burmese 1330 GMT 28 Mar 96*

[FBIS Translated Text] The plenary session of the National Convention was held at 0900 today at the Central Conference Hall in the President's Residence Compound on Ahlone Road in Yangon [Rangoon].



The session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission (NCCC); Lt. Gen. Maung Thint and Brigadier General Myo Thant, vice chairmen of the NCCC, and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee (NCCWC); U Tha Dun, vice chairman of the NCCWC, and committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee, and committee members; National Convention delegates; and local and foreign journalists.

NCCC Chairman Lt. Gen. Myo Nyunt chaired the meeting, while NCCC Secretary Brig. Gen. Aung Thein acted as secretary.

First, the secretary of the meeting announced the validity of the meeting as 527 of the 586 eligible delegates were in attendance.

Presented next was the report concerning proposals to prescribe detailed basic principles to organize the legislative chapter to be included in the formulation of the constitution. NCCWC Chairman U Aung Toe presented the report from page 1 to 40, which includes basic principles on the distribution of State's legislative power among the Pyithu Hluttaw (People's Assembly), Taing Dethagyi Hluttaw (Regional Assemblies), and State Hluttaws (State Assemblies); the distribution of power to self-administered areas as stipulated by the State Constitution; the nomenclature of the People's Assembly and Amyotha Hluttaw (National Assembly); the formation of the Pyidaungsu Hluttaw (Union Parliament); and the formation of the People's Assembly.

NCCWC Vice Chairman U Tha Dun read the report from page 40 to 57 on the election of an acting People's Assembly chairman; the election of People's Assembly chairman and vice chairman; and the duties, responsibilities, and rights of the People's Assembly chairman and vice chairman. The plenary session was adjourned at 1025.

When the session resumed at 1040, NCCWC Secretary U Aye Maung presented the report from page 57 to 95 on the formation of People's Assembly committees, commissions, and boards; the term of the People's Assembly; and the formation of the National Assembly. The plenary session recessed at 1120.

When the session resumed at 1220, NCCWC Joint Secretary-1 U Thaung Nyunt presented the report from page 95 to 117 on the basic principles on the laws on the election of a chairman and vice chairmen of the National Assembly; their appointment and termination from duty and related responsibilities, rights, benefits, and positions; term of the National Assembly; and duty

of nayaka (president) and vice president of the People's Assembly.

NCCWC member U Aung Khin Tint presented the report from page 118 to 147 on the basic principles on the laws on the formation of the Regional Assembly and the State Assembly; the election of chairmen and vice chairmen for the assemblies; the election, termination from duty, duties and responsibilities, rights, benefits, and position of the chairmen and vice chairmen; and formation of committees of Regional Assembly or State Assembly; and the tenure of the assemblies. The plenary session recessed at 1330.

When the session resumed at 1400, NCCWC member U Thein Sein presented the report from page 147 to 187 on basic principles on the legal definition of duties, rights, and benefits of members of the People's Assembly, the National Assembly, the Regional Assembly or the State Assembly; the prescription of qualifications for members of the People's Assembly and persons unqualified to be elected as representatives; qualifications for representatives of the National Assembly, the Regional Assembly, or the State Assembly; and qualifications for representatives who are Defense Services personnel for the National Assembly, the Regional Assembly, or the State Assembly.

Next, NCCWC Chairman U Aung Toe read the report from page 188 to 216 on detailed basic principles on the chapter on legislation drawn up in accordance with the suggestions of many convention delegates.

The plenary session recessed at 1515. When the session resumed at 1530, NCCWC Secretary U Aye Maung read the report from page 217 to 270 on NCCWC Chairman U Aung Toe's response to basic principles on the chapter on administration. The presiding chairman then ended the plenary session at 1630. The plenary session will continue at 0900 on 29 March.

## **Brunei, Malaysia & Singapore**

### **Malaysia**

#### **Malaysia: Men Arrested for Counterfeiting U.S. Currency**

*BK0104112396 Kuala Lumpur NEW SUNDAY TIMES in English 31 Mar 96 p 7*

[Unattributed report]

[FBIS Transcribed Excerpt] Kuala Lumpur, Sat [30 March] — Police believe they have busted a United States counterfeit currency distribution ring with the arrest of two men, including a former Internal Security



Act detainee at a recreation club in Jalan [road] Melaka yesterday.

They also seized 399 U.S.\$100 (RM [Malaysian ringgit] 255) bills from the suspects.

However, it could not be immediately established if the counterfeits were that of the new U.S.\$100 bills launched earlier this week.

City commercial crime chief Superintendent Adnan Shahbuddin confirmed the arrests. He declined to elaborate as investigations were under way.

City police are expected to liaise with the U.S. Embassy here to establish the authenticity of the currency.

It was learnt the 52-year old former detainee was released early this year after being held at the Kamunting detention centre in Taiping Perak, for his alleged involvement in a fake passport ring.

The second suspect, in his 20's, is from Kuala Pilah with no previous convictions.

Acting on a tip-off, a police party, led by Deputy Superintendent Zul Hasnan Najib, laid an ambush at the club about 2.30 pm.

The duo entered the premises and as they were making an exchange, police came out of hiding.

"We are questioning the duo to establish if the counterfeit greenbacks were printed here or abroad."

"Taking into consideration the former detainee's involvement in forgeries, we are leaving no stone unturned," he said.

He added that although there had been numerous cases of counterfeit greenbacks being distributed here over the years, there had been only one case where police uncovered a printing facility.

In February 1991, Federal police raided a printing company based in Senawang, Seremban, where they arrested the owner and his two brothers.

Investigations revealed the family had been using their business premises to print counterfeit U.S. notes.

Police also seized 30,000 pieces of U.S.\$100 bills with a face value of U.S.\$3 million. [passage omitted]

#### **Malaysia: Prime Minister Meets With Cambodia's Ranariddh**

*BK3103115996 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 30 Mar 96*

[FBIS Translated Text] Prince Norodom Ranariddh, Cambodian first prime minister, made a brief visit

to Kuala Lumpur today. He expressed his continued support for Malaysian investment in his country:

[Begin recording] [Unidentified correspondent] The Cambodian leader said this in his meeting with Prime Minister Dr. Mahathir in Kuala Lumpur today, during which they discussed bilateral and international issues as well as events in Cambodia. Prince Ranariddh said some countries are jealous of Malaysia's investments in Cambodia and even describe Cambodia as Malaysia's 14th state. He told Dr. Mahathir that France had accused Cambodia of favoring Malaysian investments because Ranariddh's wife is of Malay descent.

[Mahathir] Ranariddh admits that his wife is of Malay descent, but that is not the reason why he is on good terms with Malaysia. The accusation that Cambodia is Malaysia's 14th state is caused by jealousy. It is true we have invested a lot in Cambodia, but we are certainly careful about it.

[Ranariddh, in English] I have provided the assurances to his excellency the prime minister that Malaysian investors are doing very well. But we try to implement as fast as possible; we have to complete it as fast as possible and we try to attract more investors coming from Malaysia.

[Correspondent] During the meeting, Ranariddh also voiced his support for the Mekong basin development project initiated by Malaysia. Cambodia is also ready to attend a ministerial meeting to discuss the project scheduled for Kuala Lumpur.

[Ranariddh, in English] But what I have suggested to the prime minister is that he should, in my opinion, convene, what to say, a summit meeting — one-day meeting or two-hour meeting in Kuala Lumpur — and to get in principle the green light from all of the prime ministers or heads of state of those concerned countries — the six from the Mekong basin and all of those from ASEAN, maybe including Japan too. [end recording]

#### **Malaysia: Cambodia's Ranariddh Admits 'Concerns' About Ariston**

*BK3103105196 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 31 Mar 96*

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government — currently on visit to Kuala Lumpur, Malaysia — said on Saturday that Cambodia will protect all Malaysian investment in Cambodia. The prince krompreah acknowledged that Cambodia has some concerns about the Malaysian company Ariston, which has begun to invest up to \$1.3 million in Cambodia.



**Malaysian Commentary: 'New Era' in Relations With Australia**

*BK0104131396 Kuala Lumpur Voice of Malaysia in English 0810 GMT 30 Mar 96*

[Station commentary]

[FBIS Transcribed Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed's stopover in Brisbane had certainly added a fresh impetus to ties between Malaysia and Australia. Not that there were any major problems, but at the same time it was not smooth sailing either. Talks between Dr. Mahathir and his Australian counterpart, John Howard, encouragingly had yielded positive results. It was the highest level meeting in Australia. One, which without doubt, would help forge closer personal links between the two prime ministers.

A crucial point made by Howard is the statement by his country not to preach to others. Malaysia welcomes such a stance for it reflects the respect and independence of one country for another, something which many Western nations tend to forget. Ties between the two countries have been low-keyed during the past decade, but that is in the past now and a new era is dawning between Kuala Lumpur and Canberra.

Despite the hiccup, trade and investment linkages have blossomed. This perhaps underscores the maturity of the two countries to put the past behind them to work towards a new and exciting future. For Malaysia, it values Australia as an important economic partner with Malaysia now Australia's third largest trading partner and 11th largest export market. Conversely, Australia is Malaysia's fourth largest investor. More than 200 companies have equity interests in Malaysia. The presence of more than 10,000 Malaysian students in Australia also complement those who have already benefited from Australia's educational facilities. They certainly provide one of the most valuable and enduring links between the countries. There is room for growth in the future.

To maintain cordial ties, conscious efforts must be avoided or limited to the type of hiccups which be-deviled and strained two-way relations. An important prerequisite, therefore, is for both sides to remove whatever preconception which can impede a clear view of each other. Malaysia is prepared to respond positively to such view. The agreement by both leaders to be able to telephone each other personally to resolve disputes will go a long way in preventing those hiccups.

It is also timely that negative actions by those bent on sowing discord and misunderstanding were restrained just to prevent similar negative reactions from either side. This has been the case, the principle of mutual

respect should be adhered to by all parties. It is an encouraging to note that Malaysia and Australia will update a 40-year-old agreement on trade and investment, underpinning the warming in relations. The positive attitude prevailing now will put relations between Malaysia and Australia back on track. It will even have the potential to take bilateral ties to unprecedented new heights.

**Malaysia: PNG Prime Minister Arrives for Official Visit**

*BK0104074996 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 1 Apr 96*

[FBIS Transcribed Text] Sir Julius Chan, prime minister of Papua New Guinea (PNG), arrived in the nation's capital today for a six-day official visit to Malaysia. He was greeted by Foreign Minister Datuk Abdullah Ahmad Badawi at the Sultan Abdul Aziz Shah Airport at Subang. Also present was (Thomas Nayanpoli), PNG high commissioner to Malaysia. Sir Julius Chan is accompanied by Lady Dora Chan and a delegation of 60 government officials and representatives of the private sector.

Sir Julius Chan later proceeded to the parliament grounds for an official welcoming ceremony. The PNG prime minister was greeted by Prime Minister Datuk Sri Dr. Mahathir Mohamed. He inspected an honor guard comprised of four officers and 103 members of the Royal Malay Regiment. He was later introduced to cabinet ministers and foreign diplomats.

**Malaysia: Foreign Minister Receives DPRK Party Delegation**

*BK3003102396 Kuala Lumpur THE STAR in English 30 Mar 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Differences in ideology must be set aside for the sake of economic development in the region, Foreign Minister Datuk Abdullah Ahmad Badawi said yesterday.

The emphasis now was to strengthen co-operation among countries for the development of trade and promotion of peace and stability, he said.

"Ideological differences are an obstacle for Malaysia to have good relations with countries like China, Vietnam and North Korea," said Abdullah.

He was responding to questions from reporters after a courtesy call from a North Korea's Workers Party (NKWP) delegation at his office.



The North Korean ruling party's delegation, led by its central committee director for International Department Hyon Jun-guk [name as published], is here from March 27 to 31 at the invitation of UMNO [United Malays National Organization].

Abdullah, who is also a supreme council member of UMNO, said the party and NKWP wanted to see "a wide contact" between the leaders, parties, and citizens of both countries.

"This visit will help to strengthen bilateral ties between both Malaysia and North Korea," he said, adding that UMNO encouraged contact with ruling parties in other countries.

He said Hyon had expressed North Korean's views on the need for South-South co-operation.

"I assured him that Malaysia has always stressed South-South co-operation, while our Prime Minister (Datuk Sri Dr Mahathir Mohamed) is one of the most active South-South supporters," he said.

Abdullah said Malaysia would continue to regard NAM [Nonaligned Movement] as a body that allowed developing countries to air their views on international issues.

#### **Malaysia: National Airline Begins Direct Flights to Pusan**

*BK0104112096 Kuala Lumpur Voice of Malaysia in English 0800 GMT 1 Apr 96*

[FBIS Transcribed Text] Malaysia Airlines, MAS, began flights to Pusan in South Korea today, making it the first Southeast Asian carrier to operate a direct service to the destination. The Airbus A330 inaugural flight MH 50 touched down at the Chinheia International Airport in Pusan at 0730 this morning local time.

MAS Senior Vice President of Sales and Services Sham-inah Ahmad said Pusan was the airline's 112th destination worldwide. Speaking at the official welcoming ceremony at the airport, she said MAS intends to make Pusan the gateway to the southern region of the Republic of Korea.

Pusan, being an international gateway port and a thriving commercial center for South Korea, will offer Malaysia Airlines the opportunity to tap the business and tourism potentials from that region.

#### **Malaysia: Facilities for Retaining Investors' Profits Viewed**

*BK0104071696 Kuala Lumpur THE STAR in English 1 Apr 96*

["Comment" column by V.K. Chin: "Outflow of Funds — A Problem Not East To Solve" — received via Internet]

[FBIS Transcribed Text] The outflow of funds is of concern to every government. In every country which believes in the repatriation of profits, this is a problem which is not easy to solve.

Malaysia has been allowing such flow of funds since independence and coupled with tax incentives, it is still one of the best ways of attracting foreign investment.

But the unlimited repatriation of such money can be a strain on a nation's finances. Governments will need to devise ways to get the investors to retain more of their profits locally through re-invest.

In this respect, the Government must constantly improve and upgrade its facilities to make the country a more attractive place for both local and foreign investment.

Foreign investment is important because it has the skills and expertise in manufacturing products high in technological content which is in demand in world markets such as the developed nations.

Apart from repatriation, the Government has to monitor the outflow of invisibles such as freight charges, Malaysians' penchant for foreign travel, education and insurance.

This is being done by Bank Negara [central bank] whose governor Datuk Ahmad Mohamed Don is quite optimistic that this is one area which can produce some positive results in the not too distance future. Freight is the only one which will be quite difficult to control because of the lack of Malaysian ships to carry out goods to buyers all over the world. Therefore much of the products are still being shipped by foreign liners. As for travel, there is a marked improvement in Malaysians travelling to local tourist destinations. But much work needs to be done in this sector to accommodate local travellers. There have been complaints of shoddy treatment by the staff of local hotels who prefer to pay more attraction to foreign tourists. While it is important to create a favourable impression with foreigners so that they will make return visits, the patronage of the locals are equally vital, perhaps more so, to the viability of the industry. The tourism industry has become one of the top earners of foreign exchange but this lead can easily be eroded if Malaysians should continue to travel abroad freely.



The cost of such foreign travel will mount and this will cancel out the gains in the expenditure of foreign tourists. A balance will have to be achieved or else the industry will lose its advantage. Of course foreign travel also has its positive result. One of them is that the country will be better known to those countries where Malaysians like to go to for their holidays. Such trips will raise Malaysia's profile in these destinations and in this manner, more foreigners will have a better knowledge of this country due to the presence of such tourists.

**Malaysia: Government Agencies Ordered To Stop ASIAWEEK Subscriptions**

**BK3003085696 Kuala Lumpur THE STAR in English**  
**30 Mar 96**

[Report by Zulkifly Mohamed — received via Internet]

[FBIS Transcribed Text] Penang — The Home Ministry has directed all ministries and state governments to stop subscribing to ASIAWEEK magazine with immediate effect.

In a circular dated February 29, the ministry said the decision was made in view of the weekly's alleged malicious articles against the country's leadership recently. The circular did not specify the articles.

The directive covers all ministries, government departments, statutory bodies, state governments and local authorities.

The Hong Kong-based magazine's circulation in Malaysia is 22,600 and is sold every Thursday.

ASIAWEEK managing editor Salman Wayne Morrison and its Kuala Lumpur senior correspondent Roger Mitton said they were not aware of the directive.

"We are definitely concerned over the matter," said Morrison in a telephone interview from Hong Kong.

According to political observers, the magazine had published several reports recently which allegedly portrayed the country's leaders in a bad light.

Most of them were centred on the purported rift between Prime Minister Datuk Sri Dr Mahathir Mohamed and his deputy Datuk Sri Anwar Ibrahim, on Tan Sri Rahim Thamby Chik's reappointment as UMNO [United Malays National Organization] Youth chief and the political situation in Sabah.

**Malaysia: New Army Base Planned in Semporna To Ward Off Pirates**

**BK3003102896 Kuala Lumpur THE STAR in English**  
**30 Mar 96**

[Report by Sim Bak Heng — received via Internet]

[FBIS Transcribed Text] Kota Tinggi — The Defence Ministry is planning to set up an army base in Semporna to boost defences at the border town and nearby coastal areas.

Minister Datuk Syed Hamid Albar said the ministry was conducting a study on the proposed army base which would be discussed in Cabinet. The study would take several months.

He said the rationale of setting up the base was in view of several attacks by pirates on the border town and appeals from residents to strengthen the defence system.

"It is better to have a base for both the army and police to safeguard the people there, so that they can continue with their economic activities peacefully.

"If our defence system there remains as it is now, this may prompt the pirates to attack the town more often. This will hinder the town's development," he said after a briefing at the district office here yesterday.

Syed Hamid said it was time that the police, especially the marine police, co-operated more with the army as they were complementing each other when it came to national defence strategy.

He said the attack on the Semporna police station showed that the pirates were taking advantage of the town's isolated location.

Asked why an army base was to be set up instead of a navy base, Syed Hamid said this was because there was already a marine police group patrolling the waters.

**Singapore**

**Singapore: Minister Lee Kuan Yew 'Recovering Well' From Surgery**

**BK0104110496 Singapore Radio Corporation of**  
**Singapore in English 1000 GMT 1 Apr 96**

[FBIS Transcribed Text] Senior Minister Lee Kuan Yew is recovering well from his second angioplasty. He can gradually resume work but on a light schedule for the next few weeks. This was announced by the Prime Minister's Office in a brief statement today. The statement said Mr. Lee was examined by his cardiologists and doctors two days ago, a week after his discharge from hospital.



Mr. Lee had a stent inserted to widen a renarrowed coronary artery on 15 March.

[Hong Kong AFP in English at 1042 GMT on 1 April in a similar report adds: "Lee, who sits on [Prime Minister] Goh's cabinet as senior minister, was advised immediately after the second operation to avoid crowds during the two months in which he will be on a course of anti-coagulants that help prevent blood clotting. The medication, administered daily, could lower Lee's immunity to infections, doctors had said."]

### **Cambodia**

#### **Cambodia: Police Arrest Counterfeit U.S. Currency Racketeer**

*BK0104030096 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 29 Mar 96 p 5*

[Report by M. Santepheap: "A Case of International Sabotage Quashed in Cambodia — Cleverly-Made Counterfeit Dollars With a Face Value of Over \$30,000 Discovered"]

[FBIS Translated Text] A Chinese ringleader of a counterfeit U.S. currency racket, with Japanese nationality, and his two Korean traveling companions were arrested by Cambodian authorities on 25 March when they were attempting to cross the Cambodian border into Vietnam with a stash of fake money. Tahayashi Kasinori, the Chinese man with Japanese nationality, was deported from Cambodia in the afternoon of 26 March while the two Koreans were released.

Talking to REAKSMEI KAMPUCHEA on 26 March, a National Police general revealed that in response to a request for cooperation made by an Interpol team from the United States, the National Police Department of the Kingdom of Cambodia's Interior Ministry investigated and stopped in time a case of international monetary sabotage when it seized a hoard of first-grade counterfeit dollars ("Super-K" \$100 bills produced in 1993) with a face value of about \$36,000 from a Chinese man with Japanese nationality and two of his Korean travel companions.

The same source added: After the suspects and evidence had been taken by car with a strong escort from the Cambodia-Vietnam border (the Bavet pass) to Phnom Penh on the night of 25 March, the two Koreans were temporarily set free.

It may be recalled that in the morning of 25 March the aforementioned Chinese with Japanese nationality, who had earlier crossed the border from Thailand, and his two companions left Phnom Penh by car and headed for Bavet on the Vietnamese border, taking National Route 1.

A special task force from the Penal Police Department headed by Colonel Mom Vanda and accompanied by four Interpol officers immediately followed the suspects, who were believed to be carrying a quantity of fake dollars with them.

The task force's operations were hindered by a car breakdown. However, the national and international police team resumed the chase on a rented car after contacting Phnom Penh for reinforcements.

At noon the same day, police in the rented car caught up with the three suspects and ordered them to stop at the Bavet border pass.

In the evening of 25 March, General Luy Savun, head of the Central Justice Department of the Interior Ministry, and several other high-ranking officials were taken in a motorcade from Phnom Penh to the Cambodia-Vietnam border.

A search was immediately conducted. Finally, the suspects together with the counterfeit dollars produced in 1993 were brought back to Phnom Penh the same night.

#### **Cambodia: Sihanouk Interviewed on FUNCINPEC-CPP Crisis**

*BK3003104696 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 28, 29 Mar 96*

[Interview, published in two installments, with Cambodia's King Norodom Sihanouk by the "MONTHLY BULLETIN" in Phnom Penh on 25 March — "unofficial translation from French version"]

[FBIS Translated Text] [28 March pp 1, 11: "Interview With the King"]

[MONTHLY BULLETIN] Is Your Majesty anxious about the political crisis between the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and the Cambodian People's Party [CPP] over the power-sharing issue? According to the winning FUNCINPEC party (which has 58 MP's against 51 with the CPP), the CPP has not implemented concretely the agreement reached by the two on the "50-50" split in the allocation of the positions at various departments, services, and so on within the state, central government, national government, provinces, cities, communes, and so on.

[Sihanouk] Of course, I am worried about the adverse consequences for the country, nation, and people that might result from the unexpected "crisis". Nevertheless, the prince krompreah [Norodom Ranariddh], who had an audience with me yesterday afternoon, told me that there would soon be a summit meeting between the



leaders of the two major parties in order to resolve through compromise all of the problems you have raised in your question.

[MONTHLY BULLETIN] FUNCINPEC has said that it will pull out of the Royal Government (RG) (while remaining in the Cambodian National Assembly) in case the summit proposed by Your Majesty fails.

[Sihanouk] I hope that it would not move that far.

[MONTHLY BULLETIN] What if this occurs one day?

[Sihanouk] It will be a great disaster! Anyway, I could—with my absolute allegiance to our Constitution and my respect for all of the constitutional articles—intervene paternally and diplomatically to put the "train" of the Cambodian state back on the rails if the Khmer Royal Armed Forces (KRAF) and the National Police do not draw a line between those who are "pro-FUNCINPEC" and "pro-CPP" and do not resort to the use of force of arms and ammunition to spill blood and if I am invited by FUNCINPEC and the CPP.

Article 8 of our Constitution unequivocally specifies: "The king is the symbol of the unity and eternity of the nation." In this context, I should not let my nation "break into small pieces."

As for Article 9, it says: "The king is the guarantor of the national independence, sovereignty, and territorial integrity of the Kingdom of Cambodia; the protector of the rights and freedom for all citizens; and the guarantor of international treaties."

Yet, I have still been unable to play my role thus far "as a guarantor of the Kingdom of Cambodia's territorial integrity and a protector of the rights and freedom for all the people." Should the crisis between the two major parties become critically serious, some foreign major powers might threaten the independence and sovereignty of Cambodia and the implementation of our agreements with the United Nations and other organizations; the "Agreement on Human Rights" will be hampered as well.

Nevertheless, those cases will pose no problem to me, and they will not require me to assume power.

What I can do for the country and for the Cambodian people is to actively fulfill my role as a national reconciler. I am aware, however, that our leaders do not like my "round table" formula. Somehow, if their conflict becomes more serious, they should accept that the "round tables" need to be organized for them... [ellipses as published] by the king at the Royal Palace. A proverb says: "The cat that gets burned with boiling water is afraid of cold water." I am like the "burned cat" that "is afraid of cold water." In this setting, I ardently

hope that the situation in our country will not deteriorate to the point where I feel obliged to propose one or many round tables at the palace. My hope is for nothing except to live without becoming involved in politics.

To prevent our Cambodia from falling into disgrace, the best solution is that this or that group should return to national reconciliation and... [ellipses as published] pluralistic democracy in an environment of national unity and genuine patriotism, without serving the interests of any individual, party, or group. They should most correctly implement the compassion and peace advocated by Lord Buddha.

[MONTHLY BULLETIN] Are you worried about the Khmer Rouge being happy over and using the opportunity of the "crisis" between FUNCINPEC and CPP to garner benefits in the defense against the KRAF offensive on Pailin and other "autonomous" regions under their control and in other areas and to carry out acts of sabotage to destroy Phnom Penh and other regions administered by the Royal Government?

[Sihanouk] Should the "crisis" you have mentioned become a bit more serious, not only will the Khmer Rouge's Democratic Kampuchea Party, as well as the Sam Rangsai-led Khmer Nation Party and other patriots opposing FUNCINPEC, be happy, but they will also reap some benefits in the military, political, or psychological field as well. I am, however, not involved in those things. My main concern is to save the nation's unity and peace and our pluralistic democratic regime enshrined in our constitution."

[MONTHLY BULLETIN] Your Majesty has said at the beginning of the interview that our Constitution considers you to be a "guarantor" of Cambodia's territorial integrity. What is the intervention or "action" you will take to help the RG to resolve the current border problem between our country and the SRV?

[Sihanouk] No. I will not intervene because "the king reigns but does not govern." The clause is clearly written in our Constitution. I want nothing except to live without getting involved in politics.

Our Constitution clearly defines the role and responsibility of the king. So if there is any contradiction, I am the one who will be in danger. The king is a "guarantor"; so in this context, he should also assume responsibility in many other fields (national defense, national salvation, sovereignty, territorial integrity, human rights protection, pluralistic democracy, and so on) while it is only the RG that should be responsible for the implementation of the tasks.

[MONTHLY BULLETIN] At present, some Cambodians allege that the CPP signed a Cambodian-Vietnamese



border treaty with the SRV Government in 1980 and that the treaty caused Cambodia to lose its vital interests in regard to the preservation of its legal boundaries in the 1960's, while some others charge that the Cambodian monarchy should be held accountable for the loss of Kampuchea Kraom to Vietnam and Surin Aranh Province to Thailand, and so on. Does Your Majesty have any thoughts on the two accusations?

[Sihanouk] Only the entire Cambodian people can judge the CPP. I have no right whatsoever to accuse the party. Concerning the accusations against the Cambodian monarchy, I am permitted to make the following comments:

1. No king in Cambodia or the world has any desire to see his kingdom shrink. Selling out his country? After a person becomes a king, he will have sufficient money to lead an convivial and agreeable life. He will win the hearts and support of his people. So giving away even a single inch of his kingdom's territory to a foreign major power is totally contrary to the king's vested interests as well as the supreme interests of his country or kingdom.

2. The Cambodian people and the whole world have recognized the high patriotism of the kings in the era of Angkor and the idea then of waging wars of annexation; yet, they have not claimed that it was an "imperialist and hegemonic" idea. The king asked for nothing except to see his kingdom expand, or at least remain immense. Even after the era of Angkor, no Cambodian king wanted to see his kingdom wrinkle and shrink. Therefore, accusing the Cambodian monarchy of being responsible for the loss of Kampuchea Kraom, Surin, or other provinces is an unacceptable injustice, an evil, and abhorrent intellectual and spiritual dishonesty.

3. I have been against the imperialists all the way because my study of (Cambodian and world) histories has made me understand and believe that all kingdoms are destined to come to an inglorious end. As an imperialist, a king began to seize and occupy other countries, then expanded his motherland. Nevertheless, after scores of annexations and occupations, his troops became extremely weary. It was the weariness that brought about successive defeats for him. In the end, he saw the people of the countries he occupied and controlled rise up and retaliate, and his own country become smaller than when he had begun to annex and occupy other countries. Numerous examples can be used to illustrate the event. In terms of history, I would like to cite Alexander and his Macedonian empire; the Roman Empire; the empire of Napoleon I; the Hitlerian empire; the Spanish, Portuguese, Netherlands, and British occupations; the French Empire; the Japanese empire called the co-extension territory; and the Soviet Union.

Our glorious Kingdom of Cambodia inevitably met the same fate. Tired of countless number of annexations and occupations, the king and our people, who were always united, lost in war, and the people whose countries we had annexed and ruled over then took turns seizing and occupying our territory.

We can also cite the decision by the French colonialists, who served the Vietnamese interests, to destroy the boundaries of our country. I hope that all of you are aware of this.

The Cambodian monarchy and the Cambodian people have lived together in harmony and happiness, and with a belief in fraternity without division. Since the first year of the Christian era, the Cambodian monarchy and the people have shared weal and woe and have jointly assumed responsibility for the destiny of the Cambodian motherland.

Cambodia's vast territory and prosperity in the eras of Angkor and Sangkum Reas Niyum were the fruits of the harmonious unity between the kings and their subjects.

Without his people, the king can achieve nothing, and without their king, the people can do nothing by themselves; so the king and people should be united.

Even though they were under the Republic of Cambodia regime (1970-1975) or the Democratic Kampuchea regime (1975-1978), the Cambodian people still supported, with time-honored equity, the monarchy, otherwise the "Republic of Cambodia regime" would have been able to survive a lot longer than five years. The "Republican regime" boasted that it could be more than 1,000 years old (sic) while the "Republic of Cambodia regime of Khmer Rouge Pol Pot" claimed that it could exist no less than 100 years. Between 1876 and 1978, the Khmer Rouge organization bragged that "Democratic Kampuchea" would be able to survive for 5,000 years (sic).

Here is my conclusion: There are more Cambodian people, who render justice to the Cambodian monarchy, than those who discredit it and are ungrateful to it.

[MONTHLY BULLETIN] Your Majesty is already well aware that our leaders and their party do not like your "roundtable" formula. Why then do you still talk about an eventual roundtable meeting at the Royal Palace?

[Sihanouk] If people dislike someone or something, they will do all they can to shun that person or thing. When I tell you about an eventual roundtable meeting at the palace, I actually want to push FUNCINPEC and the CPP to avoid the "roundtable", at all costs. That is, they should quickly and earnestly join forces to find an



honorable solution to their "conflict" or the "problem" raised at the FUNCINPEC congress recently.

**Cambodia: Article Views FUNCINPEC-CPP Conflict**

**BK2903141596 Phnom Penh REAKSMEI**  
**KAMPUCHEA in Cambodian 29 Mar 96 pp 1, 8**

[Article by Sreiha: "The Way Out of the Crisis"]

[FBIS Translated Text] According to his schedule, Prince Krompreah Norodom Ranariddh, first prime minister and chairman of FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Co-operative Cambodia), will return to Cambodia on 29 March. According to analysts of the Cambodian situation, he will indicate what path the FUNCINPEC will choose for its future in the Cambodian political arena.

Prince Krompreah Norodom Ranariddh left Cambodia on the morning of 27 March after the Cambodian People's Party (CPP) issued a memorandum on the night of 26 March responding to the prince's statement at his party's 21-22 March congress. The prince krompreah is at an utter impasse because the CPP stressed clearly in its memorandum that it "continues to adhere firmly to the stance of ensuring the continuity of the Royal Government until the end of its mandate in accordance with the Constitution" and that it "will not raise the question of power sharing in the civil administration — including at the district level — for further discussion."

It is clear that FUNCINPEC has two choices — to back off or to withdraw from the government.

According to Li Thuch (Ranariddh's personal secretary), the prince krompreah's trip to Hong Kong "is to participate in the campaign to urge Hong Kong investors to invest in Cambodia." What happened at Pochentong Airport, however, was different from the prince krompreah's previous departures on foreign trips. No government officials from the CPP were on hand to see off the prince. The atmosphere was full of distress and unhappiness. Some high-ranking FUNCINPEC officials said: "They (the CPP) will not dare do anything (stated in the memorandum)."

Some observers say the prince krompreah should have sent his representatives to Hong Kong if the trip had already been arranged, because his presence is needed in the current situation in Cambodia. His departure amid this situation is nothing but "stepping back to think."

A few hours before the CPP issued its memorandum, the prince krompreah seemed to be thinking that there were two schools of thought in the CPP — the first that Samdech Chea Sim "supports power sharing" as the prince discussed at the FUNCINPEC congress, and the

second that Samdech Hun Sen opposes power sharing. This thinking by the prince krompreah seems to have had some basis because there have been rumors about discord within the CPP, especially between Samdech Chea Sim and Samdech Hun Sen.

In speeches at Onaloam Temple on the morning of 26 March and in Kompong Trabek District, Prey Veng Province on the afternoon of 26 March, the prince krompreah praised Samdech Chea Sim for agreeing to discuss power sharing at the district level. The prince krompreah said that if Samdech Hun Sen disagreed, the CPP members should discuss this matter among themselves. The prince krompreah dared to make this comment because FUNCINPEC Secretary General Loy Simchheang had earlier met with Samdech Chea Sim for over an hour.

Things are not as the prince krompreah thought, however. On the night of 26 March, the CPP Office issued a clarification saying that in his meeting with Loy Simchheang, Samdech Chea Sim did not talk about his support for power sharing as raised at the second FUNCINPEC congress, and that on power sharing as well as on other issues the CPP leaders "have always consulted one another and adhered to a common, clear, and principled stance."

There seems to be some misunderstanding that led the prince krompreah to threaten to withdraw from the Royal Government. According to the prince krompreah's allegation, the CPP has intentionally delayed district-level power sharing, claiming that the CPP had not yet arranged the composition of its district-level administration. Yet the CPP memorandum states that it is ready to make preparations to include FUNCINPEC in positions at the district level, but "FUNCINPEC has not forwarded a list of officials." The prince krompreah might be criticized for his misunderstanding on this matter, but it said that everything can be resolved if "they remove those who caused the misunderstanding" and then hold discussions with the CPP.

What can bring about a normalization between the two big parties?

FUNCINPEC has hinted about forming a bilateral committee to solve this issue. It is still not known whether the CPP will accept this formula. If the committee is not accepted, there is another solution; that is, the possibility of holding one or more roundtables in line with the king's suggestion. Then the king's role as the promoter of national unity will be emphasized. The king has stressed, however, that this crisis will not lead to his assuming power.



A split in the alliance between the two parties would give little benefit to FUNCINPEC, assuming it would not be a total loss. By withdrawing from the Royal Government, FUNCINPEC would be blamed for wrecking Cambodia's stability, which is necessary now and in the future. If it does not withdraw, FUNCINPEC will be humiliated by its own "overstatement." As for the CPP, FUNCINPEC's withdrawal would be a new test. If FUNCINPEC does not withdraw, the CPP will be able to consolidate its stance and gain more popular sympathy.

Those who will reap the most profit from this matter are in the opposition, including the Khmer Rouge. Observers are worried about the fate of those on the Pailin battlefield who will certainly be affected by this crisis.

Talking about profit or loss to the nation and people in general, the most important thing is to keep the Royal Government from a power crisis at all costs. Therefore, the people hope the two ruling parties will be able to uncover the reasons for this deplorable crisis through whatever means.

#### **Cambodia's Hun Sen: Nobody Can Dissolve Government, Assembly**

*BK3003091596 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 30 Mar 96 pp 1, 2*

[Report by Vanna]

[FBIS Translated Excerpt] During a visit to the people and a ceremony to inaugurate the Hun Sen-10 January high school at Boeng Kantuot, Krakor District, Pursat Province, on the morning of 28 March, Second Prime Minister Samdech Hun Sen said he wished to tell those who were in the United States, France, Canada, and Australia and who were eager to see an early election in Cambodia, that in Cambodia nobody now had the right to dissolve the National Assembly and that if the assembly is not dissolved, an early election will be impossible.

The samdech added that only a coup d'etat can dissolve the National Assembly before its tenure; however, those who staged the putsch would certainly suffer the same things that happened in 1994. The talk about the assembly's dissolution, he added, was only an expression of opinion and views, which was perfectly legitimate, but according to the law, a dissolution of the National Assembly is never possible. [passage omitted]

Samdech Hun Sen expressed the hope that the government would not be dissolved because the Cambodian People's Party [CPP] has 51 MP's who could vote against the move to dissolve the government and Na-

tional Assembly; so the two-thirds majority required to dissolve the present government could never be reached.

According to the law, a dissolution or the approval of a government also needs a two-thirds majority vote. "Therefore, if an individual or a party wants to dissolve the National Assembly, that is their right, but Hun Sen, in his capacity as one of the two prime ministers, will not dissolve the government."

Samdech Hun Sen further said Prince Krompreah Norodom Ranariddh had never discussed the dissolution issue with him. Since he was a lawyer, he added, he was well aware of the Constitution. Dissolving or not dissolving the government is an issue that both prime ministers should discuss together, but the prince krompreah has never discussed the issue with Samdech Hun Sen. However, even if the prince krompreah raised this issue with Samdech Hun Sen, the latter would disagree with him. Supposing Samdech Hun Sen agreed with the prince krompreah, the CPP would certainly oppose his giving of his consent.

The samdech also said he believed that some FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] members would also vote against the dissolution of the assembly. Why? Because the government was in the process of making amazing progress and the people were badly in need of stability, peace, national reconciliation, and national development. [passage omitted]

#### **Cambodia: Hun Sen Stresses Peace, National Reconciliation**

*BK3003151096 Phnom Penh National Radio of Cambodia Network in Cambodian  
0500 GMT 29 Mar 96*

[Speech by Cambodian Second Prime Minister Hun Sen at a ceremony to lay the foundation stone for the Hun Sen-Roka A primary school in Roka A commune, Kang Meas District, Kompong Cham Province on 29 March — recorded]

[FBIS Translated Excerpt] I would like to thank and praise the local people for having painstakingly joined the Royal Government and the authorities at all levels in achieving new social gains. I believe the prince krompreah [First Prime Minister Norodom Ranariddh], Samdech Chea Sim, and their majesties the king and queen will be pleased with the gains we have achieved. These gains have been achieved because we have peace; only with peace and national reconciliation could all this have been done.

I firmly believe that no politician or individual wants to act contrary to the people's wishes. The people want to



live in peace and be rich and prosperous. The people's needs are already well known. This is why I always appeal for the preservation of peace, political stability, and concord for the sake of development.

Buddhist monks from both sects as well as Buddhists, Muslims, and Christians should join hands to work. We are all fellow compatriots, and should therefore prevent unforgivable tragedies from happening at all costs. If anyone causes trouble that brings about political or armed conflict they will not be exonerated. I believe that Buddhist monks, Buddhists, and their compatriots will stand by those who love peace, national reconciliation, and development. This is my firm belief.

I urge the authorities at all levels to strive to protect the people against armed robbery and other offenses. This is for the people's well-being. We should do everything — even sacrifice our lives — for the sake of the people's well-being. We should never do anything to let the peace and national reconciliation that we have achieved through difficulty slip from our hands. We should not let the social gains we have achieved with our bare hands be destroyed by war.

I believe that my comments are acceptable to all who love peace and national reconciliation. [passage omitted]

#### **Cambodia: Ranariddh on Importance of National Unity**

*BK0104073396 Phnom Penh National Radio of Cambodia Network in Cambodian  
0500 GMT 1 Apr 96*

[Speech by First Prime Minister Norodom Ranariddh at the inauguration of a reservoir at Ang Nisai monastery in Kandal Province's Ang Snuol District on 1 April—recorded]

[FBIS Translated Excerpt] [Passage omitted citing article of the Constitution that stipulates that Buddhism is the state religion and talking about efforts to restore religion in Cambodia]

Our country is the Kingdom of Cambodia. However, the nation is above everything else. Therefore, national unity is a very important factor. If we only talk about the nation and do not unite, it is rather difficult. For this reason, I would like to tell you frankly that I came here as prime minister. But you also know that I am also the chairman of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], the party that was founded by our Samdech Euv [Sihanouk]. However, I am not here to talk about FUNCINPEC. I am here to inform you that, although FUNCINPEC won the election, it followed the correct advice of His Majesty the King along the path of

national unity and national reconciliation. When we talk about the nation, we should have national reconciliation. Our Cambodian nation has almost disappeared because we are split. When Cambodians are divided, the nation will disappear. The country and nation will disappear.

Therefore, with the aim of reconciling and uniting the nation—which is what you all want—following the election, FUNCINPEC has said that there is no winner and no loser as long as our nation is not the loser. Toward this goal, we must unite. That is why we agreed to set up a government with two prime ministers. No other country has this; we are unique in doing it this way. Normally a country has one government and one prime minister. As for us, one country, one government, and two prime ministers. Why did we do it this way despite the election?

In the view of His Majesty the King, if Cambodians do not unite, maybe all of us will disappear. Thus, FUNCINPEC—set up by the father—went along with the king's advice. It clearly understood and correctly assessed that national unity and national reconciliation are the most important things for our nation's survival [applause] That is why we did it that way, for the nation. FUNCINPEC made an immense sacrifice toward national unity and national reconciliation.

[Passage omitted dealing with the other two concepts in the nation's motto, namely, Buddhism and the monarchy]

#### **Cambodia: Paper Challenges FUNCINPEC To Move Against Hun Sen**

*BK0104083996 Phnom Penh APORDARMEAN  
SEREIPHEAP THMEI in Cambodian 27 Mar 96  
pp 1, 2*

["Today's comment" column by Kan Vireak: "Will FUNCINPEC Make a Move If Threatened by Hun Sen?"]

[FBIS Translated Text] Who in the world does not know that the power Hun Sen is holding comes from using threats? Hun Sen never gives a thought to the people's happiness and what the people want and do not want. Moreover, Hun Sen has never thought about the nation's survival. During his whole life, from his birth until his current age of over 40 years, what else has Hun Sen done for the nation's interest except to pursue power and show himself as Vietnam's loyal dog and lackey?

The recent statement by the prince krompreah [first prime minister Norodom Ranariddh] about withdrawing and dissolving the National Assembly, drew strong reaction from Hun Sen and his henchmen. However, what else can Hun Sen and his subordinates do apart from talking about threats, attacks, and assassinations?



The angry reaction came in the wake of the statement made by the prince first prime minister and chairman of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] at the FUNCINPEC congress, in which the prince made insinuations against and directly attacked the Cambodian People's Party in order to make the local people and the international community realize that for the sake of the people's lives and the nation, FUNCINPEC agreed to national reconciliation by sharing power with the Hun Sen group.

However, following this statement exposing the hideous face of Hun Sen, the latter was furious. In order to cover himself up and wash away this disgrace, Hun Sen used the pretext of appealing for calm among his subordinates; however, Hun Sen's bandit nature won't allow him to calm down. He has to show his fangs in order to make FUNCINPEC, and particularly the Cambodian king, realize that if Hun Sen does not agree with an issue, no one is able to touch him on it.

**Hun Sen further said that as long as there was no apology, he would not agree to power sharing. Isn't it sad that an unfortunate election winner such as FUNCINPEC should face such a fate?**

Whose fault is this? Who enables Hun Sen to hold power? The people, the king, FUNCINPEC, or the Khmer Rouge? What is so important about the policy to keep Hun Sen in power? As a result of this policy, have the people been prevented from being separated, from being disabled? Has the fighting been ended? Who is responsible for what still goes on in Cambodia? Was it the fault of the king or of the prince krompreah? Don't ever blame the people, because this is not the people's policy. The people killed Hun Sen off through the ballots in 1993. The one who has resuscitated Hun Sen was not the people; please make no mistake about this.

To keep power, will the prince krompreah humble himself by apologizing to Hun Sen? What will be the fate of Cambodia if Hun Sen continues to hold power? Will FUNCINPEC dare make a move in the face of Hun Sen's threats? Let's wait and see who the better man is, Hun Sen or Ranariddh.

#### **Cambodia: Government Troops Capture Positions Near Preah Vihear**

*BK3003113496 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 30 Mar 96 p 2*

[Report by Peyatro]

[FBIS Translated Text] An Army general said on 28 March that the Khmer Royal Armed Forces [KRAF]

have seized some areas around the Preah Vihear temple. Due to the geographical difficulties in the area, however, government forces have not been able to retake the temple, occupied for years by the Khmer Rouge. The general added that if our troops were allowed to launch an attack from Thai territory, the Preah Vihear temple could be easily liberated without great loss of life.

The general, who demanded anonymity, said the government had no plan yet to retake the temple. The KRAF only attacked to prevent Khmer Rouge troops from being dispatched to help their comrades in the Pailin region.

This week, the KRAF General Staff reported that government forces had killed 70 rebels in northwest Cambodia.

Government information official Sieng Lapresse told reporters that 70 rebels and 21 government troops had been killed in Battambang and Banteay Meanchey Provinces between 18 and 24 March.

A Defense Ministry official said the number of rebels and government soldiers killed since January could be many times higher. The official said on 28 March that it was expected that this year's dry season campaign will be completed by the end of this month after key Khmer Rouge border positions fall into government hands.

#### **Cambodia: Khmer Rouge Kidnap Villagers in Kampot Province**

*BK3003105896 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 30 Mar 96 pp 1, 9*

[Report by Peyatro]

[FBIS Translated Text] Local authorities reported on 28 March that 26 more people had been kidnapped and forced into the jungle by the Khmer Rouge in the middle of this week. The report said that 26 people were abducted on 27 March in an area west of Chum Kiri District, Kampot Province by a group of about 25 armed Khmer Rouge, who harassed villagers building a weir near their hamlet. The 26 villagers were forced to go up Preah Hill with them.

A provincial police officer said that abductions are common in Kampot Province. The Khmer Rouge asked for a ransom of 18.75 grams of gold for each hostage. Those without gold to pay are forced to plant stakes, carry ammunition, and dig punji stake pits. They are given only meager rations of food. Moreover, those trying to escape are executed if caught.

This is the second time the Khmer Rouge have abducted a group of people. On 26 March, they kidnapped a group of 30 Cambodian and foreign deminers in Preah Kou



village, Svay Chek commune, Angkor Thom District, Siem Reap Province.

A government official called these actions the last desperate steps by the Khmer Rouge at a time when the Khmer Royal Armed Forces [KRAF] are wiping them out at the border.

**Cambodia: Television Station Begins Test Broadcast 1 Apr**

*BK3103111596 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 31 Mar 96*

[FBIS Translated Text] Uk Prathna, director general of the Apsara radio and television stations, said on the morning of 27 March that the official test broadcast of Apsara television will start on 1 April 1996. In the initial stage the test transmission will be five hours daily, from 1730 to 2230.

The director general said the test will officially start on 1 April, but the Apsara television equipment test started on 28 March. Apsara television, or Channel 11 television station, which will start its official test on 1 April, is 10 kilowatts and can broadcast within an average radius of 100 km. Uk Prathna said that after the test, Apsara television will gradually expand its transmission times to reach its goal of 24-hour broadcasting. This is only a plan, however.

Investment in Apsara television station is about \$5 million, but only \$3 million has been spent so far. Uk Prathna disclosed that Apsara television's equipment is brand new and that at the beginning of its official transmission Apsara could have a mobile relay station for immediate incorporation of the latest information.

Apsara radio station, or FM 97 radio station, started its test a few days ago.

[Phnom Penh REAKSMEI KAMPUCHEA in Cambodian on 27 March in a similar report adds: "Apsara radio station belongs to a private local company in a joint venture with the Cambodian People's Party."]

**Indonesia**

**Indonesia: Lecturer Arrested for 'Masterminding' Irian Jaya Riots**

*BK3003135896 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 30 Mar 96*

[FBIS Translated Text] Security authorities have arrested a Jayapura university lecturer on suspicion of masterminding the bloody 18 March riots in Abepura. Speaking in Jayapura today, Captain Tri Hastuti, duty officer of the Irian Jaya Police Information Service, said

the arrest was made after the interrogation of several rioters currently under detention. The lecturer is now under intensive interrogation to prove his involvement in the Abepura riots.

**Indonesia: Suharto Stresses Importance of ABRI's Role**

*BK3003115596 Jakarta KOMPAS in Indonesian 30 Mar 96*

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — As the stabilizing and dynamic force, ABRI [Armed Forces of the Republic of Indonesia] must have vision and behave in a most suitable way. Without these, it will be hard for ABRI to contribute to the nation's progress and prosperity. While ABRI must take firm action against anyone that violates the existing election regulations, it must also protect those who need protection.

President Suharto said this when he received a courtesy call from participants of the 1996 ABRI Leaders Meeting at Jakarta's State Palace on 29 March. During the occasion, ABRI Commander Feisal Tanjung presented the outcome of the ABRI meeting to the head of state. The ABRI meeting was held at the ABRI headquarters in Cilangkap on 26-27 March.

The head of state said ABRI's role as a sociopolitical force will have great impact on its duty to safeguard two national tasks — namely, the 1997 general elections and the 1998 General Convention of the People's Consultative Assembly.

"In fulfilling its role as a sociopolitical force, ABRI must demonstrate its wisdom without compromising its unshakable loyalty to the Pancasila ideology and the 1945 Constitution," the president said.

The president said: "It has become our duty, including ABRI's, to safeguard the coming general elections and ensure that the People's Consultative Assembly will be able to perform its constitutional duties smoothly."

Safeguarding the elections means ensuring a safe and smooth implementation so the objectives of holding elections are realized.

The head of state added that as a defense and sociopolitical force, ABRI must always be able to do two things — namely, prevent the emergence of things that can destroy national unity, integrity, and development, and provide ample opportunity for the growth of public initiative and creativity.

"The two things must be done wisely and in a well balanced way. Therefore, it is necessary for ABRI



to have vision and wisdom," said the head of state. [passage omitted on background of the 1996 ABRI Leaders Meeting]

**Indonesia: Suharto's Remarks on ABRI's Dual Functions Lauded**

*BK0104045496 Jakarta KOMPAS in Indonesian  
1 Apr 96*

[Editorial: "The Armed Forces of the Republic of Indonesia Must Be Able To Behave Properly" — received via Internet]

[FBIS Translated Text] We noted some important points arising from the governors' working meeting, the meeting of the Armed Forces of the Republic of Indonesia [ABRI] leadership, and President Suharto's speeches last week.

The points dealt with the 1997 general election, the ABRI's role, and the head of state's hopes.

A general election should be treated as part of democratic life, the president said in one of his speeches. The statement was normal and appropriate.

At the same time, the statement was an important one. Why? The statement reflected a perception that differs from the current perception. The president focused directly on the matter in hand.

Our general perception is that a general election will become tense if it is dramatized; the political temperature will rise. Since we are passing through a transitional period, the 1997 general election will experience some tension.

Indeed, the head of state reminded the people that a general election is something proper and normal. A general election is part of democratic life.

The statement reflected at the very least a more balanced way of facing the general election, the campaigning, the voting, and the General Session of the People's Consultative Assembly.

Nevertheless, how should we reconcile this perception with our current view that the 1997 general election will take place in a sensitive atmosphere of change? We should consider this perception from a proper standpoint.

The most important point arising from the head of state's statement is for us to adopt a normal and proper attitude toward the general election.

There was another point. A general election will become a means for the people to exercise their sovereignty if all parties respect and implement the existing rules and

laws and the people live in an orderly, peaceful, and normal manner.

Democracy, which is primarily manifested in a general election, will proceed better in an orderly manner than in a tense situation, let alone in a troubled one.

Hopefully, we can easily understand and perceive this truth.

Earlier, various statements had led to different opinions and misunderstanding. Finally, some common views emerged from the ABRI leadership meeting and President Suharto's speeches.

The ABRI must behave properly. The ABRI will become a good referee in the 1997 general election. In other words, the ABRI is steadfastly adhering to its principles and objectives. The ABRI is dedicated to the interests and security of the whole nation. The ABRI overrides the beliefs and interests of groups and factions. The ABRI gives precedence to national unity and integrity.

Under the principles and objectives, the ABRI is exercising its dual functions in society, which continues to change and develop. With its dual functions, the ABRI can participate in the sociopolitical arena, including in the general election.

This wise, clear statement is heartening and will prevent the emergence of an improper attitude.

We should behave in accordance with the statement. We should implement general election laws and rules in accordance with the principles that the general election should be free and peaceful to enable the people to exercise their sovereignty.

It is very important for us to consistently implement the laws and rules because we are living in a situation that is more or less marked by a crisis of confidence.

The crisis has emerged because the people see and feel that there has been a gap on many occasions between what has been said and what has been done.

Indeed, how to match words with deeds is one of the major problems facing us.

A lack of coordination has frequently caused unnecessary misunderstanding and ambiguity.

In addition, personal attitudes and styles have not related to common principles, consensus, or policies.

On the one hand, the personal attitudes and styles are more lively and dynamic — something needed in political dynamism.



On the other hand, the personal attitudes and styles could lead to misunderstanding and ambiguity as well as give the impression of a lack of cohesiveness.

President Suharto's guideline for the ABRI and all of us to behave properly is therefore most applicable.

#### **Indonesian Shipyard Owners Seek Deregulation**

96SE0048A Jakarta BISNIS INDONESIA  
in Indonesian 5 Mar 96 p 6

[FBIS Translated Text] Surabaya (BISNIS)—Shipyard owners in Surabaya want the government to introduce deregulation policy that will touch the structure of business in this sector in order to improve the competitiveness of domestic industry.

"Until now, our industry has been viewed out of only one eye and deemed incapable of contributing to the country's foreign exchange, whereas the reality is just the opposite," said a BISNIS source in Surabaya shipyard circles.

He added that the difficult obstacles to the competitiveness and growth of domestic shipyards are found in the lack of government attention to this business sector.

The case is different, he said, in Japan and Korea, where government attitude toward this type of business is no different from its position toward other sectors.

"Low bank interest rates and an absence of fees, including value-added tax (PPN), are examples that need to be imitated here," the source said last week.

Agus Bintoro, principal director of PT [Limited Company] Dumas, the biggest private shipyard in Surabaya, declined to comment when asked for confirmation of this opinion.

He admitted that, basically, there are several matters that should get the government's attention, particularly problems with the process of buying ship spare parts from overseas.

"Although imports of spare parts, for example, are exempt from customs duties, they are still burdensome, because we must pay a sales tax of 10 percent."

In addition, Agus continued, purchases of spare parts worth more than \$5,000 cannot be made freely but have to be done by letter of credit. If not, the goods are not exempt from customs regulations.

"The government should consider small matters like this, because delays in spare parts shipments can delay the process of ship construction or repair."

When deregulation of ship imports was mentioned, he said he very much supports it.

#### **Indonesia: More Companies Said Violating Labor Laws**

96SE0048C Jakarta BISNIS INDONESIA  
in Indonesian 5 Mar 96 p 8

[FBIS Translated Text] Jakarta (BISNIS)—The number of companies receiving inspection citations for violations of the normative rights of workers has risen by 70.59 percent.

Suwarto, director general of industrial relations management and labor supervision (BINAWAS), said 119 companies received inspection citations in 1994 for violating the normative rights of workers.

"Last year, however, the number of companies we inspected rose to 203. The companies in violation are scattered in 21 provinces," he told BISNIS last week.

Thus, the number of companies inspected for violating the normative rights of workers rose by 70.59 percent last year.

The companies most often inspected, Suwarto said, were in North Sumatera (38), West Java (37), East Java (36), and Metropolitan Jakarta (17).

He said that the Department of Manpower has been able to resolve only 69 cases, and the rest have been handed over to the courts. "Of 45 cases that have been tried, only 43 have been decided, with fines of 100,000 rupiah to 700,000 rupiah or, alternatively, three months' imprisonment.

In 1994, he said, the provinces where inspections were made in connection with violations of the normative rights of workers were Metropolitan Jakarta (20 companies), West Java (39 companies), East Java (25 companies), West Nusa Tenggara (5 companies), Aceh (1 company), South Sulawesi (2 companies), and Maluku (1 company).

Of these 119 cases, said Suwarto, the Department of Manpower has resolved 35 cases. The rest (19 cases) have been submitted to the courts, where 16 companies have been sentenced to fines and imprisonment.

"They have been fined from 100,000 rupiah to 750,000 rupiah and/or three months' imprisonment," he said.

The growing number of companies handed over to the courts, Suwarto said, is proof that the Department of Manpower is increasingly vigorous in pursuing companies that violate the normative rights of workers.

However, he continued, not all cases could be resolved by civilian employee investigators, because some of the companies remained derelict by not paying workers



according to their rights. "Those are the ones who were turned over to the courts."

Actually, Suwanto continued, the Department of Manpower still gave a two-week grace period for resolution of the problems.

"The companies did not demonstrate goodwill by being willing to resolve the matter, however. We were compelled to turn them over to the courts."

So far, Suwanto has not been willing to name the companies punished. "If they have been turned over to the courts, they are no longer the Department of Manpower's cases, but the courts'."

#### **Indonesia: Minister Swears In Head of Intelligence Agency**

*BK0104073596 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 1 Apr 96*

[FBIS Translated Text] Lieutenant General Muthoyib was sworn in as head of the State Intelligence Coordinating Agency in Jakarta today. He replaced Retired Lt. Gen. Sudibyo.

Minister and State Secretary Murdiono, who presided over the swearing-in ceremony, said in a speech that the main duty of an intelligence agency is to provide accurate intelligence information as early as possible to enable the national leadership to make correct and safe decisions. The sooner and more accurately such information is available, the greater its usefulness to the national leadership in making decisions will be.

The minister and state secretary added that the Indonesian nation is entering the next stage of national development as the world is undergoing rapid and basic changes. We are therefore being challenged to maintain the national unity and integrity we have achieved. The nation needs to give greater opportunities to its citizens to dynamically develop their initiative and creativity.

#### **Indonesia: Violence Erupts Amid 'Unofficial' Election Campaigning**

*BK0104113596 Jakarta GATRA in Indonesian 30 Mar 96*

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Unofficial election campaigning seems to have begun early in Yogyakarta. Several people have suffered from violence, and several vehicles have been destroyed and residents' houses attacked by rock-throwing mobs. The violence took place when PDI [Indonesian Democratic Party] and PPP [United Development Party] supporters organized processions of motorcycles and cars in Yogyakarta on 20

and 24 March. The youths, blowing their horns loudly and wearing T-shirts and insignia from different political parties, appeared at different times. Both groups caused traffic congestion, destruction, and plenty of work for the security forces.

To mark the anniversary of the PDI's Yogyakarta regional branch, hundreds of motorcyclists wearing red T-shirts and carrying PDI banners organized a procession along Adisucipto, Sudirman, Mangkubumi, and Malioboro Roads on 20 March. Waving three fingers [indicating the PDI's number in the election], the youths turned ferocious when a Honda car owned by one of them was hit by a rock thrown by unidentified men. When the youths passed along Ahmad Dahlan Road, not far from the office of the Muhammadiyah Islamic group, they attacked a parked Colt Mitsubishi car. Captain Karno, commander of Ngampilan Area Military Command, who was performing his duty in the area, had his fingers slashed by a sword wielded by the youths. The security authorities decided to take action and arrested 24 motorcyclists.

Similar to the PDI mob, thousands of PPP youths also took to the streets with their motorcycles and cars under the pretext of celebrating the party's 23d anniversary on 24 March. After they finished their prayer session at Beran, 10 km north of Yogyakarta, the PPP youths began moving into the city. Wearing green T-shirts, the youths blew their horns and turned on their vehicle lights even in the daytime. Waving their thumbs [indicating the PPP's number in the election] and green star flags, the youths moved around the city along major roads, including Malioboro Road.

Violence is bound to occur when youths gather in this manner. Police recorded three cases of assault with sharp weapons, 13 cases of physical assault, nine cases of vandalism of cars, and two cases of vandalism of houses. [passage omitted]

Alfian Dharmawan, head of the PPP's Yogyakarta chapter, noted that certain groups might have wanted to provoke incidents to tarnish the PPP's reputation. He also questioned the security authorities' decision to make arrests.

Speaking to GATRA, Alfian denied reports that the PPP youths were conducting election campaigning with their procession. He blamed a lack of venues for people to show their political aspirations. "Frankly speaking, the PPP is not happy that other groups have the freedom to show their political aspirations. When PPP members decide to wave flags at their anniversary celebration, the authorities immediately make a big fuss," he said. [passage omitted]



## Laos

### Laos: Official on Financing of Mekong River Commission

BK3103141996 Bangkok THE SUNDAY NATION in English 31 Mar 96 p A2

[Report by Kulachada Chaiphiphat]

[FBIS Transcribed Text] Vientiane — The Mekong River Commission [MRC] may be unable to meet its financial obligations if the United Nations Development Programme's [UNDP] plan to phase out financial support is implemented, a senior Lao official has said.

Under the new framework agreement, the UNDP will continue to give technical support to the commission and will assist it in acquiring international financing to implement projects.

As part of the UN's financial and structural reform, the UNDP is being forced to cut back on spending and streamline activities, thus delegating more responsibilities to regional organizations for mobilizing international financial support.

Kithong Vongsai, chairman of the Lao National Mekong Committee, said the MRC countries would prefer the UNDP to continue supporting the commission's programmes until alternative financial support was in place.

The UNDP plan, details of which are not available, was tabled at a recent meeting of the MRC joint committee in Hanoi. According to Kithong, member countries have asked the UN body to review its proposal and present it to the next meeting of the joint committee in Bangkok in April.

Kithong said MRC countries are worried that dwindling support from the UNDP will affect the functioning of the Mekong secretariat. The UNDP supplies the agency with, and pays the salaries of, technical experts and administrative personnel.

Contributions from donors is mainly used for project financing or technical studies. Donors in 1995 pledged US\$23 million (Bt [baht] 575 million) worth of assistance in cash and in kind, but only about \$8 million of this has been disbursed so far.

MRC members may also have difficulty meeting their financial obligations to the commission, Kithong said. He said the members' annual contribution in 1995 was \$165,000 but Laos was allowed to contribute just \$150,000.

The commission comprises Thailand, Cambodia, Vietnam and Laos. This fast-growing region faces a loan squeeze for development projects due to massive demands for new infrastructure.

Kithong said Laos will propose that a representative of the MRC be granted permanent status at international donors' meetings such as an upcoming conference in Geneva to ensure better coordination between donors and the commission. This would also ensure that donors were fully informed of the MRC's ongoing activities.

The proposal will be raised at the inaugural meeting of the Donors Consultative Group later this month in Bangkok, to be chaired by the MRC and the UNDP.

About 50 donor countries and international development agencies are expected to attend the conference, to be preceded by a three-day workshop on sustainable development sponsored by the UNDP. A number of non-governmental organizations will be invited to participate in the workshop.

Kithong said many projects tabled at international gatherings in the past were originated by the MRC and a permanent representative would be helpful to answer any questions raised by donors.

Many projects concerning hydro-electric power or sub-regional road improvement, currently being studied by the MRC, were picked up by the forum for Greater Mekong Subregion Economic Cooperation sponsored by the Asian Development Bank [ADB], the chairman said.

The MRC was invited to observe the ADB-sponsored meeting and other international conferences concerning the region.

The Laotian proposal is seen as a way to strengthen the commission's role amid growing international interest in the development of the Mekong subregion.

The MRC came into being last April to replace the 38-year-old Mekong Committee. The international river organization involves comprehensive cooperation in sustainable development of the Mekong River.

### Laos: Thai Company's Telecommunication Venture Delayed

BK3003115696 Bangkok THE NATION in English 30 Mar 96 p B2

[Report by Yingyot Manchuwisit]

[FBIS Transcribed Text] Indochina might not be the success story predicted for the Chinnawat Group, as the Loatian government is now asking for a majority stake in its joint-venture with Chinnawat International Plc.

The problem of the deal remaining unsettled has delayed the company's attempt to offer a fixed-line service in this communication service-scarce country.



When Chinnawat announced its plans to expand into Indochina, doubts arose about market potential and the regulatory regimes imposed on doing business in these countries. Last year, it ended its broadcasting business in Cambodia and subsequently in Laos, attributing the pull-outs to political interference and a lack of advertising demand on its networks.

A Chinnawat source said Chinnawat International has tried diligently to work out the details for beginning its fixed-line service in Laos ahead of schedule but implementation has been delayed for a number of unforeseen reasons.

Leuan Sombounkhan, vice chairman of Laos' committee for planning and cooperation, said in a recent interview that the Laotian government is negotiating with Chinnawat to try and increase its stake in Lao Chinnawat Telecom.

Leuan declined to elaborate on the details, but said his government wants a majority in the joint-venture with Chinnawat. However, Leuan claimed he does not expect any further delays in the talks.

"We are nearing the end of the negotiations," he said.

Lao Chinnawat was set up in early 1994 with registered capital of US\$2 million (Bt [baht] 50 million) in partnership with Enterprise Des Posts Et Telecommunications of Laos (EPTL). Lao Chinnawat will receive 70 percent of the net profit and EPTL the remainder or five percent of gross revenue — whichever yields the highest amount.

The Thai company is allowed to offer fixed-line, international gateway, cellular phone, and paging services with 15-year concession periods. It began its GSM [expansion unknown] mobile phone service in late 1994.

An industry source said recently that the delay in negotiations has also been caused because the Laotian government asked Chinnawat to purchase telecom network equipment already delivered on the government's request by a Japanese company.

Chinnawat executives could not be reached to comment on the issue.

The mobile phone service is now only seeing small growth in subscriber numbers. With handsets priced at around Bt50,000, local consumers cannot afford them. Even a university graduate in Laos only receives an average wage of Bt1,500-Bt2,000 per month.

When it began the service, Lao Chinnawat collected about Bt800 per registration fee and a Bt2,400 deposit. Including the SIM card (the electronic name-card size tool to activate the GSM phone and record personal and

usage data), users had to pay about Bt3,600 before being able to start using the phones.

#### **Laos: Prime Minister Receives Broadcasting Executive**

*BK3003105196 Vientiane KPL in English  
1052 GMT 29 Mar 96*

[FBIS Transcribed Text] Vientiane, March 29 (KPL) — Prime Minister Khamtai Siphandon yesterday received at his office Sonthi Limthongkun, chairman of the Asia Broadcasting Communications Network Public Company Limited (ACBN). Mr. Sonthi Limthongkun is here to participate in the opening ceremony of the establishment of the Lao-Star Company and the celebration of the contract for purchasing and launching the Lao-Star satellite.

In a cordial atmosphere, the ACBN chairman informed the Lao leader of the progress of the project for the Lao-Star satellite as well as the outcome of the establishment of the Lao-Star Company, which is the investment of the private firm at a cost of U.S.\$640 million, of which the government holds 20 percent of the shares.

Prime Minister Khamtai Siphandon hailed the company's initial success. It will be a significant landmark for the country to have access to a telecommunication network through satellite.

Khamtai Siphandon wished his guest success in his tasks and a good trip home.

ACBN is a subsidiary of the M Group of Thailand, which plans to build a multi-media information super-highway for Asia and also to be the first Asian corporation to provide a fully-integrated multi-media network through satellites covering broadcasting, newspaper publishing, and digital data communications services.

### **Thailand**

#### **Thailand: U.S., Japan in 'Deadlock' Over Alleged Red Army Member**

*BK3003085996 Bangkok THE NATION in English  
30 Mar 96 pp A1, A2*

[Unattributed report]

[FBIS Transcribed Text] American and Japanese intelligence officers are locked in a tug-of-war for custody of an alleged member of the Japanese Red Army who was arrested in Cambodia and transferred to Thailand for interrogation on charges of counterfeiting U.S. banknote and hijacking a Japanese airliner in 1970.



Police yesterday insisted that Thai legal action against Yoshimi Tanaka, also known as Hayashi Kasinori, should be completed before negotiations with the U.S. and Japan for Kasinori's extradition take place. Deputy Police Director-General Chumphon Utthasat downplayed the deadlock between the US and Japan, saying there would be no negotiations for the suspect's extradition until after the legal process is completed on Thai soil.

Kasinori, 47, is reportedly in detention at the Bang Khen Private Police Training School. On Thursday he was removed from the Phatthaya Police Station where he was first interrogated for his alleged involvement in a U.S. banknote counterfeiting racket in the area, and for his alleged use of a fake US100 (Bt [baht] 2,500) bill there.

An arrest warrant was issued earlier for Kasinori by Phatthaya police after preliminary investigation found he had cooperated with Somchai Nanthasan and Prasong Pholthiphet to forge banknotes. Kasinori, identified as Kim Il Su on a North Korean passport in his possession, was arrested in Cambodia on Monday while waiting to cross the border to Vietnam. He was handed over to police in Phatthaya on Tuesday.

A police source said the US has the advantage in the negotiations to acquire the suspect as they have been cooperating with Thai and Cambodian police in following Kasinori's movements.

Talks to settle the reported dispute took place at the Police Department's Foreign Division yesterday afternoon. Officials of the Japanese and U.S. embassies in Bangkok discussed the situation but failed to reach an agreement, a police source said.

Pol Gen [Police General] Chumpon purposely arrived late to the talks in order to allow the two sides to settle the issue between themselves.

After the talks Chumphon said there had been no discussion of the extradition of Kasinori.

He said U.S. and Japanese officials were invited for consultations and to hand Thai police evidence to take legal action against the suspect, who continued to deny all allegations against him.

According to the deputy police chief, the US requested cooperation from the Thai side to take legal action against Kasinori, who they said caused a huge loss to the US economy.

The Japanese, he said, will fully cooperate with Thai police to prove the suspect is a Japanese national and that his offences took place in Japan.

"So far we have no evidence to show who this person is or where he came from," Chumphon said. At this stage, he added, the suspect will be questioned on his involvement in a counterfeiting racket in Phatthaya, which could help police find the location of the racket's production base.

The police source said Kasinori was on blacklists forwarded to the Immigration Bureau by both US and Japanese officials.

An Agence France-Presse report from Tokyo said Japan will ask Thailand to extradite the alleged Red Army hijacker. "We will seek a transfer through diplomatic channels," Chief Cabinet Secretary Seiroku Kajiyama said.

But Kajiyama said the extradition of "Yoshimi Tanaka" would be difficult under the current circumstances as the 47-year-old fugitive was being investigated by authorities from both Thailand and the US.

Kasinori is allegedly one of nine Red Army guerrillas who defected to North Korea in 1970 after hijacking a Japan Air Lines Boeing 727 during its flight from Tokyo to Fukuoka. All passengers were released unhurt in Seoul.

The suspect's whereabouts have been unknown since 1986 and he has been on an international wanted list since 1988.

Of the nine hijackers, one died in Pyongyang last November and another was arrested in 1988 after secretly returning to Japan, where he was given a five-year prison sentence.

If convicted on the counterfeiting charge, Kasinori would face up to 10 years in prison, Thai police were quoted as saying.

#### **Thailand: Official Comments on Detention of Red Army Member**

*BK2903160896 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 29 Mar 96*

[FBIS Translated Text] Thai police are ready to cooperate with every country in bringing a leading member of the Japanese Red Army movement to court if this is requested.

After international police, in collaboration with Cambodian police, arrested Mr. (Hayashi Kazinori), a leading member of the Japanese Red Army, or Japanese international terrorist group, on the charge of counterfeiting U.S. dollars, Thai police authorities asked to investigate the suspect.



Police General Chumphon Atthasat, deputy chief of the Police Department, held a meeting with officials of the U.S. Federal Bureau of Investigation, or FBI, and Japanese police officers on preparations for taking the suspect to face trial in the countries in which he has committed crimes. Regarding this, Thai police can take legal action against the Japanese Red Army member on only one charge at the initial stage — counterfeiting U.S. dollars. Regarding charges of sabotage in other countries, this request must be made by each country.

[Begin recording] [Unidentified correspondent] [question indistinct]

[Chumphon] Regarding the legal case, I cannot say now whether it is the same case or a related case. Facts are facts, however; there is no problem.

[Correspondent] How many days will he be detained for investigation?

[Chumphon] In accordance with legal authority.

[Correspondent] What will you do if he is asked to be sent for trial in another country?

[Chumphon] We will act in accordance with diplomatic procedures on the extradition of suspects. [end recording]

The Japanese suspect is reportedly now strictly in the custody of Thai police at the Bangkok Police Sergeants School, which is the safest place, especially in kidnapping cases.

#### **Thailand: 'Red Army' Member To Face Local Charges 'First'**

*BK3103101796 Bangkok THAILAND TIMES in English 31 Mar 96 p A3*

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Thailand will not immediately send the Japanese Red Army member to any country despite urgent extradition being sought by Japan and the United States, according to a reliable source in the Police Department.

Yoshimi Tanaka, 47, was arrested in Cambodia border last weekend for possessing several million dollars of counterfeit U.S. money.

The official said Tanaka will have to face charges of Phatthaya police first for his alleged involvement in using the fake U.S.\$100 bills in the resort city.

Cambodia authorities handed over Tanaka to Phatthaya police on Tuesday after his arrest.

Japan, the U.S., and South Korea are calling for his extradition following the news of arrest.

Tanaka was identified as one of nine Red Army members who hijacked a Japanese airliner and forced the plane to land in North Korea in 1970.

Foreign Ministry spokesman Suraphong Chaiyanam, however, said the ministry had not yet seen the formal request for his extradition from any countries.

Suraphong said the extradition would be considered by the Interior Ministry.

#### **Thailand: Red Army Suspect Faces Extradition to Japan**

*BK0104091496 Hong Kong AFP in English 0842 GMT 1 Apr 96*

[FBIS Transcribed Text] Bangkok, April 1 (AFP) — Thai police said Monday that a suspected member of the Japanese Red Army terrorist group which hijacked a Japan Airlines jet in 1970 would be extradited to Japan after being tried in Thailand.

Yoshimi Tanaka, 47, who was arrested in Cambodia on March 24 after being accused of disposing of counterfeit dollars in the southeastern Thai resort of Pattaya, would be sent to Japan after his trial, police said.

Tanaka, a member of a Red Army team which hijacked a Japan Airlines jet to North Korea in 1970, was in possession of millions of counterfeit dollars when he was picked up in Cambodia. He was brought to Thailand last Tuesday.

Tanaka has been brought to Chon Buri province, south-east of Bangkok, where police will seek a court ruling to remand him in detention for another seven days before his trial.

The Japanese fugitive has been on an international wanted list since 1988.

#### **Thailand: Banhan Issues Statement on China Visit**

*BK3003101496 Bangkok Thai Color Television Channel 9 in Thai 1350 GMT 29 Mar 96*

[Statement by Prime Minister Banhan Sinlapa-acha during a press conference at Bangkok International Airport upon his return from his 24-29 March visit to China — live]

[FBIS Translated Text] [in progress] ...including the industry minister, deputy communications minister, and officials from other government agencies, as well as about 50 members from the business sector, accompanying me on this trip.



I would like to report on the visit. On 24 and 25 March, I had meetings with Prime Minister Li Peng, Chairman Li Ruihuan of the National Committee of the Chinese People's Political Consultative Conference, and President Jiang Zemin. We discussed matters related to bilateral relations. On the political side, I noted that relations between Thailand and China are healthy, to the satisfaction of both sides. The exchanges of visits, official or unofficial, have strengthened the relations. Each year there have been visits made by over a thousand groups, representing the governments as well as the business sectors. I thanked the Chinese Government for an invitation to Princess Maha Chakkri Sirinthon to visit China in August. China said it will give her its best welcome. President Jiang Zemin conveyed his respects and best regards to His Majesty the King.

On economic cooperation, I indicated to China that Thailand has suffered consecutive trade deficits with China for several years. In 1995 especially, Thailand lost some U.S.\$400 million, or about 10,000 million baht, in its trade deficit with China. I asked China to consider importing other goods from Thailand. I proposed the sale to China of 200,000 to 300,000 tons of rice of the 15-percent and 25-percent grades. China accepted my request and assigned its concerned authorities to have further discussions with Thailand on this matter. I also asked China to open its market for rubber, sugar, and fruits from Thailand by reducing its import tariffs. Prime Minister Li Peng has relegated Deputy Prime Minister Li Lanqing to look into this matter.

On investment, I stressed to China that we want protection for Thai businessmen investing in China. Thailand is the eight largest investor in China, with investment projects worth some U.S.\$3 billion. Some Thai businessmen who have experienced problems had asked me to forward their complaints to the Chinese authorities. I did what they asked me but in general terms, because it was impossible for me to be specific. I asked the Chinese Government to look after Thai businessmen who had investments in many provinces in China.

On air services, I asked China to consider opening direct flights between Chiang Rai and Jinghong without having to pass Kunming. Another route I proposed was Bangkok-Shantou. On banking cooperation, I asked China to allow Thai banks with representative offices in China to be able to open branches once their two-year licenses have expired. On communications, I asked China to solve the problem we have about our satellites' orbiting positions, 70 and 71 degrees, which are too close. China pledged to take this up for consideration.

In view of the growing investment, Thailand and China have signed agreements for the opening of a Thai general consulate in Shanghai, and a Chinese consulate in a province of Thailand. We finally agreed to establish a Thai studies center at Beijing University with a scholarship fund worth 300,000 baht. This is aimed at promoting knowledge and understanding of Thai language and culture among the Chinese people. All these matters concerned our bilateral cooperation.

Now about regional matters, concerning Taiwan, I told China that the Taiwan issue has created tension and caused concern to countries in the region, and that it was not in the interests of any party. I pressed China to be cautious and prudent in solving the problem. I believe the Chinese people will be able to come to an understanding and settle the problem among themselves without foreign interference. President Jiang Zemin and Prime Minister Li Peng said that they are sticking to three principles as a basis for a solution to the problem. First, they want a peaceful reunification of China. Second, they accept the principle of one country, two systems. Third, they will resort to negotiations in order to solve conflicts. I told them that other countries stand to benefit if China is successful in solving the problem under the three guidelines.

Concerning the problem in the south of China, China stressed it would not use force to solve the problem. Solutions to the problem, according to China, must be based on legitimacy and correctness. China attaches importance to joint development as a measure for solving the problem.

I thanked China for its contribution to the success of the Asia-Europe Meeting. China indicated its desire to be an ASEAN dialogue partner; Thailand supported China on this issue. Concerning China seeking membership of the World Trade Organization, Thailand has no objection to China doing this because Thailand thinks it is necessary for China to first adjust its rules and regulations pertaining mostly to tariff rates. China pledged to take the matter up for study.

On cooperation under the Mekong development program and the Economic Quadrangle development, Thailand has invited China to participate in the Mekong development program; China responded positively. I proposed closer cooperation under the Economic Quadrangle framework.

After ending the visit to Beijing, I went to Xian in Shansi province. I visited the tomb of 13 Chinese dynasties. I observed it in the light of the tourism industry; I then had discussions with the businessmen in my group. I asked the governor of Shansi to support Thai businessmen investing in his province, although the



number is still small. Then I visited Shanghai, which is an investment and trade center of China. I saw some remarkable development, especially at the [Futong] special economic zone. Over the past five years, they have been able to develop basic infrastructure — roads, electricity, water supply, and sewage system, in readiness for the arrival of investors. Thai businessmen accompanying me on the trip have expressed an interest. They have been able to develop the entire infrastructure in only a few years. I also visited a motorcycle factory, a joint venture between China and the Charoen Phokkaphan Group. In Shanghai, I told Thai and Chinese businessmen to look into the possibilities of cooperation. I also told the governor of Shanghai to look after a large number of Thai businessmen in Shanghai with investment projects in real estate, husbandry, and many other fields. Finally, I visited Shantou, where I opened a Bangkok Bank Branch. Again, this is another special economic zone in Guangdong Province that has been very successful in development. There are a number of Thai businessmen in Shantou but not as many as in Shanghai. This afternoon I again told the governor of Guangdong to support our business.

I would like to stress to you that the entire visit was aimed at strengthening relations and forging acquaintances. I had already met President Jiang Zemin at the United Nations' 50th anniversary session, and at the APEC [Asia-Pacific Economic Cooperation] meeting in Osaka. I had met Prime Minister Li Peng in Thailand, but it was only a short, formal meeting. This time we discussed at length bilateral relations, investment and business cooperation, and support for Thai businessmen in China.

After the visit, I had an idea — I proposed to the BOI [Board of Investment] to set up a unit to look after Thai businessmen investing in foreign countries, not only in China but in other countries as well. The new unit should be able to render help to Thai businessmen if they encounter obstacles or problems. Our board will look into the possibilities of offering services to Thai businessmen abroad, as for example in helping them transfer money back home, the money they earned as profits. This will contribute to national earnings. This is what I have to tell the mass media.

#### **Thailand: Burma Agrees To Demolish Controversial Bridge**

*BK3103111296 Bangkok THE SUNDAY POST in English 31 Mar 96 p 3*

[Unattributed report]

[FBIS Transcribed Text] Mae Sot, Tak — Burma yesterday agreed to half-demolish a wooden bridge which

was built across the Moei River without consultation with Thailand.

The bridge, linking Burma's Myawaddy with a strip of land straddling Thailand's newly-dug river channel, was completed yesterday.

Tak Governor Kasem Nakharat said the bridge was not only built without Thailand's consent, but also blocked navigation of the river.

Mr Kasem said the construction violated international agreements and demanded Burma demolish the part of the bridge which is in Thai territory.

He sent Chairman of the Local Thai-Burmese Border Committee Suwit Maenmuan to negotiate with Myawaddy authorities about the demolition yesterday.

Col Suwit said Burma agreed with Mr Kasem's demand, but refused to tear down part of the bridge within its borders.

He said Myawaddy Governor Muang Muang Yein claimed Burma built the bridge so people in Thailand could visit a temple fair being held in his town between April 1-7 to raise funds for the construction of a pagoda.

Col Suwit said Burma insisted it had no other intentions behind the construction.

Mr Kasem, however, questioned why Burma did not resort to using the Thai-Burmese Friendship Bridge linking Mae Sot and Myawaddy instead.

The bridge was nearly completed but Burma had suspended its construction and banned people from using it.

#### **Thailand: Burma Erecting Stakes in River Despite Protests**

*BK3103113296 Bangkok THAILAND TIMES in English 31 Mar 96 p A3*

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak — Burma is continuing its sinking of wooden stakes into the Moei river despite Thailand's repeated demands to stop the action.

A Thai border officer, who speaks on condition of anonymity, said Myawaddy's 97th Battalion had rounded up around 100 Burmese villagers on Friday [29 March] to erect stakes in the river close to Pa Lu village, opposite Ban Mae Ku Luang of Mae Sot district in this province.

On many occasions, the Burmese military has been accused of committing forced labor and human rights



abuses, especially in its fights against ethnic minority groups.

Similar groups of stakes have now appeared in more than 20 places along the Burmese bank of the river, in what Burma claims is an attempt to stop the erosion of their river bank. Thailand fears the stake sinking on the other side may result in the change of current and eat away their river bank.

Burma first started sinking the stakes on January 24, opposite Thai villages of Tha At, Rim Moei, and Huai Muang in Mae Sot and Tha Sai Luat districts.

Thailand has protested against the work several times, saying it violates the 1994 agreement by the Thai-Burmese Regional Border Committee.

The committee meeting in April 1994 agreed to prohibit the sinking of stakes into the river and that only rocks will be allowed to lay to prevent soil erosion.

The source said the Burmese were working in an urgent manner in order to complete the sinking before Thailand had a chance to protest. However, local Thai authorities immediately informed senior officials, who issued a formal letter of protest to the Burmese authorities.

He said Burma may complete the present work within a week.

#### **Thailand: UK Envoy Urges Reconsideration of Beef Product Ban**

BK3003114296 Bangkok THE NATION in English  
30 Mar 96 p A3

[Unattributed report]

[FBIS Transcribed Text] British Ambassador Christian Adams yesterday asked the Thai government to reconsider its ban on British beef products including dairy products and powdered milk.

Ambassador Adams said British beef and dairy products are perfectly safe and carry no risk of transmitting either mad cow disease or Creutzfeldt-Jakob disease (CJD), a rare and often fatal affliction that affects the human brain.

In the past week, a controversy has erupted in Britain linking mad cow disease, or Bovine Spongiform Encephalopathy (BSE), with CJD. In a report to the British parliament on March 20, scientists speculated that CJD patients may have been infected after eating BSE-contaminated beef products.

Following this, a number of countries banned the import of British beef. Thailand has not imported British beef since 1989, but this week the government ordered that the ban be widened to include imported powdered milk.

BSE was identified in British cows in 1985 and scientists recognized that it was similar to a degenerative disease, known as scrapie, found in sheep. They theorized that cows fed with sheep offal, including brains, to supplement their diet had later developed BSE.

Experts also speculated that BSE could be passed on to people who ate beef and, particularly cow brains and other cow offal. In 1989, the British government banned both cow offal for human consumption and sheep offal and brains as cattle feed.

In light of this, Adams insisted there was no risk in eating British beef products. Most experts, including the World Health Organization, also agree there is no risk in taking dairy products such as milk.

"I feel that your ban on British beef and especially on powdered milk is not justified," he said, adding, "As far as I know (Thailand) is the only country to have banned powdered milk."

Reiterating that scientists have no proof to link CJD with BSE, Adams added: Besides, the CJD cases cited by scientists in their speculations were all diagnosed before the 1989 standards were set.

Adams said he felt the current controversy is being fuelled by ignorance. "Supplying people with the correct information is the most important thing on this issue. I think there is a lot of hysteria over it just because people don't know the facts," he said.

#### **Thailand: Croatia Looks For 'Stronger Ties' With ASEAN**

BK0104035796 Bangkok THE NATION in English  
1 Apr 96 p A2

[Report by Phana Chanwirot]

[FBIS Transcribed Text] With peace slowly but surely returning to what was formerly Yugoslavia, the Republic of Croatia is looking for stronger ties with ASEAN — both politically and economically.

Deputy Prime Minister and Foreign Minister Mate Granic is on a diplomatic shuttle mission to Association of Southeast Asian Nation countries. He will meet with three Thai ministers in Bangkok today after having opened embassies in Jakarta and Kuala Lumpur, and having visited Singapore last week.

Diplomacy with ASEAN is the latest in Croatia's efforts to strengthen its international ties following the Dayton agreement reached with the warring parties which resulted in the redefining of Bosnian and Herzegovinian territory.



"We are about to integrate with the last piece of occupied territory, which comes to 4.6 per cent of East Slavonia," Granic said yesterday. "We're also seeing stability in the federations of Bosnia and Herzegovina and the implementation of the Dayton agreement."

The former doctor has visited Thailand before, but this is his first official visit as deputy prime minister. "We want to learn from your economic dynamism and regional stability. We want to have direct trade and investment with ASEAN countries."

We are very interested in cooperating with Thailand, with its population of 60 million, its long history and its independence," Granic said.

His schedule in Bangkok will see Granic meet Deputy Prime Minister Dr. Amnuai Wirawan, Foreign Minister MR [Mom Ratchawong — royal title] Kasemsamson Kasemsi and PM's [Prime Minister] Office Minister Pongphon Adireksan.

Thailand's interests are looked after by the Croatian embassy in Jakarta but Croatia has meanwhile appointed businessman Withun Aramwarikun as its honorary consul in Bangkok.

Politics have played a much greater role than economics in ASEAN's relations with Croatia. Both Muslim Indonesia and Malaysia have very close ties with the Central European republic, located north of Bosnia and Herzegovina and having access to the Mediterranean.

Croatia, with its population of five million, prides itself as not just having one of Europe's tourist heavens but also being strong in the ship-building and maintenance industry.

If ship-building was discussed in Singapore during Granic's visit to the island republic last week, then it should not be a surprise if a Croatian firm finds work as a sub-contractor in Malaysia's Sarawak state. After all, Malaysia can claim to be part of the peace process in Bosnia, having sent one battalion of peacekeeping soldiers there.

Malaysian Prime Minister Mahathir Mohamed is due to visit Croatia next month and the republic will make him feel at home with a planned "Malay Week". The rebuilding of Croatia will be high on the agenda, as well as trade in palm oil and the Malaysian-produced Proton car. Croatia wants Malaysia to trade directly rather than going through other European brokers.

An equally important ally in the East is Indonesia which is an active member of both the Non-aligned Movement and the Islamic Conference. The Croatian president is due to visit Jakarta in the second half of this year where it is hoped a strong economic cooperation will be forged.

Further afield are some 250,000 Croatian emigrants who have settled in Australia, where direct air links with Croatia are planned.

While a series of economic treaties are being signed on his trip, Granic is under no illusion that a lot remains to be achieved with ASEAN. Trade with Thailand and Malaysia amounted to just US\$4 million (Bt100 million) each last year, while with Indonesia it was slightly higher at \$10 million.

"Our inflation was about three per cent last year and is projected to be between three and five per cent in 1996. We are in the process of privatization, denationalization and restructuring our banking system. We are allowing the opening of five foreign banks over the next three to four months," the visiting deputy prime minister said.

He said Croatia — with a per capita income of \$3,800 — aspires to be a "dynamic, medium-sized European country. We have developed chemical, pharmaceutical, food processing, ship-building and power plant equipment industries."

Economic activities are also being forged to follow up on the peace process with Serbia. Three weeks ago, Croatia signed seven different cooperation agreements on highway, railway, pipeline, air traffic and counsellor projects, with others to follow. One remaining problem regarding a territorial exchange is being worked out for a final resolution towards a permanent peace.

Granic's next official function will be more shuttle diplomacy closer to home. Croatia hopes to become an integral part of Europe and in May the republic hopes to become a full member of the Council of Europe.

The country also wants to sign a trade and cooperation agreement with the European Union this year, as well as to become a member of Nato.

Granic is the second senior minister from a Central European nation to visit Bangkok in less than a month. Two weeks ago the Polish prime minister was here as an official guest of the Thai government.

#### **Thailand: Editorial Urges Rio Summit Commitments Fulfilment**

*BK0104040896 Bangkok THAILAND TIMES in English 1 Apr 96 p A4*

[Editorial: "West Yet To Honor Rio Pledges"]

[FBIS Transcribed Text] In the Kingdom's quest to seek and develop overseas markets for value-added exports in areas in which we are internationally competitive, Thailand, ASEAN, and other Asian nations are encountering



impediments such as unilateral and discriminatory eco-labeling and social clauses, including the demand for a global minimum wage.

Developing nations like Thailand and others in ASEAN must look at the injection of these issues as an effort to justify protectionism and to impede market access of goods from developing countries.

Developing countries, including Thailand, have become victims of misleading campaigns, whose intentions and motives are questionable. Developed nations should not increase the burden on developing countries. This jeopardizes sustainable development in developing and underdeveloped areas. Developing nations have subscribed to this principle at the Rio Summit.

Developed countries should desist from questionable measures and actions which seem designed to prevent developing countries from benefiting from the fruits of liberalized world trade.

The promotion of sustainable development in the developing world cannot be put to risk through resorting to unilateral, discriminatory and questionable measures on environmental and social grounds.

Patterns of production and consumption are also another decisive factor in achieving sustainable development. Excessive over-consumption in developed and industrialized countries as well as consumption below basic needs in the developing and under-developed world are both unsustainable.

Therefore, a structural change should be undertaken to correct the situation by the world community as a whole. A coordinated program of national and regional studies on trends and damage from consumption patterns and the use of renewable and non-renewable natural resources in order to assess their sustainability and their repercussions on other countries will be in the right direction.

Experience in Thailand has shown that with emphasis given to a caring society with spiritual and moral values, austerity drives, prudent public policies, public awareness together with fiscal measures can produce real change, and influence wasteful consumer spending in areas such as daily needs, transport, energy and water consumption. This does not mean the Kingdom must control its consumption, however it will need to consume and produce only where necessary.

Some of the fundamental problems currently confronting the implementation of the Rio decisions revolve around the "Means of Implementation" issue. The global partnership that our leaders agreed upon in Rio was the explicit understanding and commitment

that developed countries would assist developing countries in making transitions towards sustainable development with the provision of new and additional resources.

Nevertheless, a great cause for concern for developing nations including Thailand is that the commitment for additional financial resources made at Rio have not yet been translated into reality.

Thailand, along with others in the region, must urge its industrialized partners to honor their commitment made at Rio without further delay, and not to use excuses of their domestic economic problems to detract from their commitment to global sustainability.

Developed countries should also honor their commitment to provide 0.7 percent of their Gross National Product (GNP) for Official Development Assistance (ODA).

Another issue that is drifting away is the issue relating to technology transfers, which have not kept pace with the commitments. The slow progress in this vital and decisive area of global sustainability must be raised by Thailand at the right forum to urge the developing countries to take immediate positive steps to ensure a speedy and smooth flow of environmentally sound technology, not only in solving environmental problems but also in production processes as well as assisting developing countries in technology and capacity building.

As a vibrant and viable regional entity, ASEAN seeks to play a significant role in realizing the objectives of Rio, particularly through intra and inter regional cooperation programs. Thailand, with other members of ASEAN, has made every effort to achieve greater self reliance in environmental management. And members have also agreed to adopt a set of Harmonized Environmental Quality Standards for ambient air and river water quality and implement the needed measures to attain these standards by the year 2010.

But ironically, the developed industrialized nations of the West, who are responsible for the present state of global environmental illness, seem to back paddle their commitments made at a world convention by leaving the problem to be solved by the developing nations themselves.

So much for the champions crowing about environmental causes in Asia.



### **Thailand: Department Uses Countertrade To Boost Exports**

*BK0104045696 Bangkok THAILAND TIMES in English 1 Apr 96 p B1*

[Unattributed report]

[FBIS Transcribed Text] Bangkok: Between 1994 and 1995 the Department of Foreign Trade used counter trade for nine different projects, said Department of Foreign Trade General-Director Pracha Charutrakunchai.

The nine counter trade projects signed by the department were worth 2.7 billion baht. Eight of the projects, worth 546 million baht, were for commodity counter while the remainder was a residual technology swap.

Last week the Foreign Trade Department signed a counter trade agreement valued at just under US\$4.5 million with the United Communication Industry Plc (UCOM), the bid winner for a computerized arrangement project with the Bank for Agriculture and Agricultural Cooperatives. Moreover, the Japanese Itochu Corporation Ltd has been assigned by UCOM to carry out its counter program with the department.

Commodities in the counter program include frozen chicken, rubber, tapioca products, starch, ceramics, leather shoes, tiles, textiles, rice, canned coconut, frozen fruits, household equipment and frozen shrimp.

These products are prohibited from being exported to countries where Thailand already has an existing market.

Eight more projects are currently being negotiated. In April, the department is to sign a counter agreement worth 467 million baht with the Japanese Mitsubishi Corporation Ltd, the bid winner for the installing of equipment at the Electricity Generating Authority of Thailand's stage-2 Wang-noi Combined Thermal Power Plant.

### **Vietnam**

#### **SRV Paper Criticizes FBI 'Spy-Catching' Campaign**

*BK3003114696 Hanoi LAO DONG in Vietnamese 24 Mar 96 p 4*

[Commentary by Vuong Hung: "FBI's New Play: Those Who Play With Fire Get Burnt"]

[FBIS Translated Text] The latest "spy catching" campaign launched by the U.S. Federal Bureau of Investigation (FBI) aimed at the Vietnamese community in the U.S. evokes several questions: Why now? Why the Vietnamese community? Is this a mere "supplementary method of counterintelligence" as confirmed by FBI of-

ficials? To get the correct answers, it is probably appropriate to look at the FBI's current situation and put it against the U.S. background.

Since its establishment in 1908, the FBI has quickly become a shadow haunting the democratic life of Americans, and a political tool for U.S. administrations. Turning over the pages of history, we can easily see that the FBI is not merely a criminal investigation agency but also an effective arm of the anti-socialist, anti-communist forces. Some typical examples are its role in the case of the husband and wife scientists, the Rosenbergs, who were accused of spying for the Soviet Union, and the enforcement of the Taft-Hartley (1947) and McCarran (1950) laws that hurled hatred and enmity towards trade unions, tradesmen, and communism. The FBI became an integral part of U.S. policy during the Cold War. Some people have asserted that because of its "total, fervent devotion" to serving political schemes, the FBI has failed to stop the United States becoming the world champion in crime. During its years of operation, the FBI has many times used the "counterintelligence" cliché for the purpose of concealing its failure and incompetence in crime suppression, and to expand its influence. What the FBI has just done to the Vietnamese community in San Francisco is not the first occurrence of this type. They did exactly the same thing to the Russian community in the late 1980's and to the Chinese community in the early 1990's, with almost no results whatsoever. It is necessary to add that the conception of "spy" is alien to the Americans. Current affairs watchers have probably not forgotten the case of the five U.S. diplomats who were expelled from Paris and had to carry their brief cases back to the other side of the Atlantic.

It is obvious that after the Cold War ended, the FBI lost the stage for its shows. It is in need of successes to compensate for its failures in other fields. The process of the normalization of relations with Vietnam came in at this stage. To date, the relations between the two countries have seen positive progress. The United States has found a road map to escape the past, but "it seems to lack the courage to jump out of the way of its own shadow." The FBI's action has no other purpose than to find a way to diminish Vietnam's prestige, divide the Vietnamese community in the United States, and hamper all efforts by both countries to consolidate trust and cooperation. Its action may be one of the strategies for the upcoming election, but in every way it runs against the long-term benefits of the relations between the two countries, and it pushes the United States deeper back into the "Vietnam syndrome." The Los Angeles Times has correctly commented that the FBI's (ad



encouraged witch hunt for a communist under every bed). [words within parentheses printed in English]

Listening to the FBI spokesman on 12 March, we have the impression that either this man lacks even the smallest bit of knowledge about Vietnam or he believes he is still living in the McCarthy era.

If the Clinton administration has forgotten their Vietnam lesson of the past, and think that the way to get back to the White House passes through the FBI, then "those who play with fire might get burnt."

**SRV Commentary Affirms Cooperation in Search for MIA's**

*BK2903151896 Hanoi Voice of Vietnam in English*  
*1000 GMT 28 Mar 96*

[Station commentary]

[FBIS Transcribed Text] By March of this year, there have been 49 Vietnamese-American joint searches for American servicemen listed as missing in action in Vietnam. The latest repatriation of U.S. servicemen's remains were the 58th since 1993. These facts manifest Vietnam's great efforts in solving this humanitarian issue.

Commenting on the outcome of the implementation of the MIA issue, Hershel Gober, American deputy secretary of the Department of Veterans Affairs, said in Hanoi early this month that the Vietnamese Government has made great efforts in collecting information on the MIA issue and in searching for American missing in action during the war. He said that Vietnam's efforts contributed to the settlement of America's internal problems among American MIA families. When President Bill Clinton declared the normalization of relations with Vietnam, the U.S. National League of Families strongly rejected the decision. However, their attitude has changed. The clear manifestation was the presence of representatives of the five (?biggest) veterans organizations of the U.S. in the first presidential delegation which visited Vietnam in March. They all held that the USA and Vietnam should settle the MIA issue in the interest of the future and not looking back to the past.

Recently, both Deputy Foreign Minister Le Mai and Deputy Assistant to the U.S. Defense Secretary James Wold remarked that the MIA cooperation between Vietnam and the USA would be an example for all the countries in the world to follow. Vietnam would continue assisting America in searching for information about the remains of American servicemen recorded as missing in action, according to party leader Do Muoi when receiving the U.S. presidential delegation.

**SRV Paper: Archaeological Studies Affirm Sovereignty Over Spratlys**

*BK3003082596 Hong Kong AFP in English*  
*0816 GMT 30 Mar 96*

[FBIS Transcribed Text] Hanoi, March 30 (AFP) — Vietnam has reaffirmed its sovereignty over the Spratlys in the South China Sea after carrying out archeological searches in the archipelago which is claimed by several countries in the region, the trade union paper Lao Dong reported Saturday.

The searches, ordered by Prime Minister Vo Van Kiet, proved that Vietnamese had lived on the island of Truong Sa — the biggest in the Spratlys — and that of Nam Yet without interruption since the 14th century, said the tri-weekly paper.

The searches were carried out between 1993 and 1995 by Vietnam's archeological institute and also revealed evidence of historic and cultural links between three "strategic" regions of Vietnam — the Spratlys, Vietnam's central high plateau and southern Vietnam — said the paper without elaborating.

The Spratlys, believed to be oil rich, are claimed in whole or in part by Vietnam, China, the Philippines, Taiwan, Malaysia and Brunei.

The archipelago is about 400 kilometers (250 miles) from the Vietnamese coast and about 1,500 kilometers from the Chinese island of Hainan.

It was the scene of violent clashes between the Chinese and Vietnamese navies in 1988 and is considered a major potential flashpoint in the region.

**SRV: 'Major Treaties' Signed With Uzbekistan**

*BK3103130696 Hanoi Voice of Vietnam in English*  
*1000 GMT 29 Mar 96*

[FBIS Transcribed Text] Uzbekistan President Islam Karimov has told Vietnamese businessmen that rice, coffee, aquatic products, light industrial products, and other tropical products could be exported to the Central Asian republic, while Uzbekistan will export to Vietnam silk, cotton, and engineering and consumer items. He suggested the two countries could cooperate in cotton growing and processing.

Earlier on Thursday [28 March], President Le Duc Anh and Uzbekistan President Islam Karimov signed a treaty on a basic framework for bilateral cooperation between the two countries. Later, three other major treaties were signed. They cover avoidance of double taxation; investment protection and encouragement; and the establishment of a joint governmental commission for economic, trade, scientific, and technological cooperation.



The Uzbekistan president was also received in Hanoi by party leader Do Muoi on Thursday.

**SRV Commentary Praises 'Impressive' Results of Uzbek Leader**

*BK3103110196 Hanoi Voice of Vietnam in English  
1000 GMT 29 Mar 96*

[Station commentary]

[FBIS Transcribed Text] Uzbek President Islam Karimov left Hanoi on Friday, ending a two-day visit to Vietnam. During his stay he was received by party General Secretary Do Muoi, President Le Duc Anh, and Prime Minister Vo Van Kiet. Six important documents on cooperation in trade, science and technology, investment, and tourism were signed between Vietnam and Uzbekistan during the president's visit. At a Hanoi banquet on Thursday, President Le Duc Anh affirmed that Vietnam always attached great importance to strengthening its friendship and cooperation with Uzbekistan. Our radio editor comments:

Though it was a short visit, the results were impressive. Working sessions strengthened mutual understanding and trust. The signing of documents on bilateral cooperation created a legal ground for the two countries to promote ties.

In his speech at a banquet in honor of the Uzbek president, President Le Duc Anh affirmed that the Vietnamese people would always bear in mind the great support and assistance of the Uzbek people to Vietnam in its cause of national construction and defense. It was a sentiment that bound the two nations and was a foundation for developing a stable relationship.

For his part, President Karimov shared these views, saying that the Uzbek people always had great goodwill and warm sentiments toward the Vietnamese people. It was because the two nations shared many similarities, including industriousness, discipline, and respect for history and traditions. He said that Vietnam's achievements in economic renovation were impressive and that Uzbekistan wanted to learn from Vietnam's experience in the renewal process.

**SRV: Uzbek President Meets With Business Leaders, Departs**

*BK2903142696 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 29 Mar 96*

[FBIS Translated Text] As reported, in the framework of their official friendship visit to Vietnam, the Uzbek president, his wife, and his entourage visited the Orion Hanel electronics joint venture at the Sai Dong-Gia Lam Industrial Center in Hanoi this morning. On this

occasion, Mr. (So Sun-tin), director general of the ROK's Daewoo Company, and Mr. (Kim Chong-nak), director of the Orion Hanel Company, briefed President Karimov on the operations and achievements of the joint venture since its inauguration nine months ago.

President Karimov was pleased to note the company's achievements, regarding them as a vivid indication of Vietnam's renovation policy and economic growth. Vietnamese workers can now produce color electron tubes and modern electronic accessories locally. The president paid close attention to the company's capacity, production methods, and forms of product consumption and expressed his interest in a joint venture to export the company's products to Uzbekistan.

Next, President Karimov and the other distinguished Uzbek guests met with more than 60 Vietnamese businesspeople at the Government Guest House. The meeting was arranged by the Vietnam Chamber of Commerce and Industry.

After being briefed by Mr. Doan Ngoc Mong, vice president of the Vietnam Chamber of Commerce and Industry, on the prospects for bilateral economic and trade cooperation, President Karimov announced the results of his visit as seen through his talks and meetings with our highest-ranking party, state, and government leaders. He also informed the Vietnamese businesspeople of the results of Uzbekistan's economic reform program and introduced his country's great potential in the production and export of cotton, chemical products, non-ferrous metal, and so forth. In his opinion, Vietnam has great potential in the production and trade of agricultural products and in other domains. There are favorable conditions for the two countries to develop their traditional economic and trade ties a step further.

In response to questions raised by a number of Vietnamese businesspeople concerning methods of goods transportation, entry-exit procedures, prospects for cooperation in fruit and vegetable processing and export, and so forth, President Karimov pointed out: Uzbekistan stands ready to create every condition for Vietnamese businesspeople to promote business joint ventures for the sake of the common interest of the two nations and on the principle of mutual benefit. He looked forward to receiving Vietnamese businesspeople during their visits to Uzbekistan.

President Karimov and his wife left Hanoi at noon today, successfully concluding their official friendship visit to our country. A farewell ceremony was held in the Great Hall of the Presidential Palace to bid farewell to President Karimov and his wife and entourage. President Le Duc Anh and his wife as well as Deputy Prime Minister Nguyen Khanh: Foreign Minister Nguyen



Manh Cam; Presidential Office Director Nguyen Viet Dung; Hoang Van Nghien, chairman of the Hanoi Municipality People's Committee; Tran Van Dac, our country's ambassador to Uzbekistan; and many other leaders were present at the ceremony.

Once again, President Karimov thanked President Le Duc Anh and the Vietnamese people for the warm and solemn reception accorded to him and his entourage during their stay in Vietnam. He noted with pleasure the results of his talks with President Le Duc Anh and his meetings with General Secretary Do Muoi and Prime Minister Vo Van Kiet. He maintained that the treaty and agreements signed during his visit will serve as the legal foundation for the two countries to promote friendly and cooperative ties in the new stage. He again extended his invitation to President Le Duc Anh to pay an official friendship visit to Uzbekistan.

President Le Duc Anh congratulated the Uzbek president and his wife on the fine results of their Vietnam visit, wished for constant development in the friendly and cooperative ties between the two countries, and accepted President Karimov's invitation to visit Uzbekistan in the future.

#### **SRV: NA Chairman Receives Indonesian Delegation**

*BK3003151496 Hanoi VNA in English  
1427 GMT 30 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 30 — National Assembly [NA] Chairman Nong Duc Manh received here today a delegation of the Commission for Foreign Affairs, Defence, Security, Information and Culture of the Indonesian National Assembly headed by its deputy head, Mr. Abu Hassan Sazili Marjani, who is here on a working visit.

NA Chairman Manh recalled his profound impressions on his visit last year to Indonesia, and expressed the Vietnamese National Assembly and people's gratitude to the Indonesian legislature, government and people for their past and present assistance. He noted that Vietnam and Indonesia have great potential for better cooperation, but it is still limited. He said he hoped the multi-sided cooperation between the two countries will be further expanded, especially in the field of science, technology, and agriculture.

Mr. Marjani said he agreed that further promotion of the relationship between the two legislatures will help further develop the bilateral cooperation between the two countries, and that the exchange of visits between the two legislatures also needs to be pushed up.

Host and guest also compared notes on other issues of common concern.

#### **SRV Officials Hold Talks With Indonesian Delegation**

*BK3003090196 Hanoi VNA in English  
0639 GMT 30 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 29 — Talks were held here today between a visiting delegation of the Commission for Foreign Affairs, Defence, Security, Information and Culture of the Indonesian National Assembly [NA] led by its deputy head Mr. Abu Hassan Sazili Marjani and a delegation of the Vietnamese National Assembly.

Mr. Marjani expressed his admiration for the achievements gained by the Vietnamese people in their renovation process over the past few years, and said he hoped that the friendship and multi-faceted cooperation between the two countries would be boosted in the future.

The Vietnamese head delegate, Mr. Hoang Bich Son, who is also head of the NA Commission for External Relations, hailed the visit as a contribution to deepening the time-honoured friendship relations between the two sides as well as a source of encouragement to the Vietnamese people in their current national industrialisation and modernisation. Mr. Son took this occasion to thank Indonesia for its assistance and support to Vietnam in ASEAN's activities as well as in other international forums.

#### **SRV: Justice Cooperation Minutes Signed With Laos**

*BK3003154496 Hanoi VNA in English  
1259 GMT 30 Mar 96*

[FBIS Transcribed Text] Hanoi March 30 — Lao Justice Minister Kham-ouan Boupha has paid a working visit to Vietnam from March 24-29.

The Lao minister held talks with his Vietnamese counterpart Nguyen Dinh Loc, had working sessions with the National Assembly's Law Commission, the Supreme People's Court, the Supreme People's Inspectorate, and the Hanoi Law College.

The two sides exchanged views on works of law and justice in service of the renovation process now prevailing the two countries, shared experience in law making and execution as well as organisation and personnel training in the justice service. They expressed pleasure at the constantly comprehensive development of traditional cooperation for mutual benefits between the two countries' judicial institutions, which, in their views, should be enhanced in the present national, regional and international situation.



Minutes on cooperation between the two justice ministries for the 1996-97 period were signed here on March 26 by Justice Minister Nguyen Dinh Loc and his Lao counterpart Kham-ouan Boupha.

The Lao guests visited Ba Ria-Vung Tau Province and Ho Chi Minh City in the south.

#### **SRV: Japan Agrees To Grant \$700 Million ODA Loan**

*BK3003085796 Hanoi VNA in English  
0639 GMT 30 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 29 — A note of exchange on the Japanese Government's official development assistance (ODA) loan worth USD 70 billion yen (roughly USD 700 million) to Vietnam in the 1995 fiscal year was signed here today.

Signatories were Deputy Foreign Minister Vu Khoan and Japanese Ambassador to Vietnam Katsunari Suzuki.

After the signing ceremony, Mr. Khoan on behalf of the Vietnamese Government expressed thanks to the Japanese Government for its assistance, and said he hoped the friendly and cooperative ties between the two countries would be further expanded.

#### **SRV: Japanese Business Group's 'Biased News Conference' Criticized**

*BK3103152196 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 22 Mar 96 p 6*

[Report by N.B.]

[FBIS Translated Text] A delegation of Japan's Kansai Economic Zone Association held a news conference at the Government Guest House (at No. 2 Le Thach Street, Hanoi) at 1800 on 20 March to detail the results of its working visit to Vietnam that began on 17 March. According to the delegation, the news conference had been approved by the Ministry of Culture and Information.

Speaking to Vietnamese journalists on this occasion, both the head and deputy head of the delegation devoted much time to discussing the potential of the Kansai Economic Zone Association and to making repeated complaints about Vietnam; namely, poor infrastructure, complicated investment procedures, and capital contributions chiefly in terms of land by Vietnam at a time when land prices are unstable...

Nobody knows the real purpose of the statements made by the two officials who presided over the news conference, because after they responded briefly to a question raised by a Vietnamese journalist, the two gentlemen hurriedly said "goodbye," gathered their

materials, and rushed to their car under the pretext of "lack of time."

Most of the journalists were indignant at such a biased news conference.

It goes without saying that such a news conference is not beneficial, least of all to the Japanese side, which is making vigorous efforts to invest in Vietnam.

#### **SRV: Direct Foreign Investment Expected To Reach \$6 Billion**

*BK3103114296 Hanoi Voice of Vietnam in English  
1000 GMT 28 Mar 96*

[FBIS Transcribed Text] It is estimated that the total licensed direct foreign investment in Vietnam this year will be \$6 billion, of which \$5 billion is for new projects and the remainder additional capital for existing projects. In heavy industry, priority for foreign investment will be given to metallurgy, electronics, and car making. Foreign investment will be also given to infrastructures, industrial zones, hotels, offices for rent, and services.

#### **SRV: Chamber of Commerce, Industry Reflect on Successes**

*BK3103152096 Hanoi VNA in English  
1508 GMT 31 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 31 — The Chamber of Commerce and Industry of Vietnam (VCCI) had been effective as a voice of business and as an advisor to the government, the VCCI Management Council report at its first 1996 meeting on March 25-26, looking back at the chamber's operation over the past year.

The chamber's membership now number 1,692, including 1,320 full members, 162 associated members and 210 correspondence members. It has also established ties with over 50 chambers of commerce and industry, and economic and trading organisations over the world, as well as set up joint committees with related institutions on Japan, South Korea, Australia and India.

The VCCI has been proud to be a bridge connecting the government and business as well as Vietnamese and foreign businesses, and has organised meeting between the prime minister and government representatives with entrepreneurs.

Over the past year, VCCI took more than 500 Vietnamese businesspeople on market research tours to important markets such as Japan, the United States, ASEAN countries and Western Europe. It also received 3,337 foreign businesspeople in Vietnam to inquire into



the local market and look for business partners. Many enterprises in garment making for export have won big contracts with assistance from the VCCI.

In 1995, the chamber took part in organising 18 international expos in Vietnam such as the Japan Industrial Exhibition, the European industrial fair 'Engineering/Production/Machinery EPM', the International Exhibition on Aviation and Energy, etc.

VCCI member businesses also participated in international fairs in France, Thailand and China in 1995.

This year, the VCCI plans to expand its membership, to promote bilateral and multi-lateral cooperation with foreign economic organisations, and boost preparation for its membership to join the International Chamber of Commerce.

The VCCI will soon set up experimental local chambers of commerce and industry, commencing in Ho Chi Minh City.

#### **SRV: Consumer Price Situation Detailed**

*BK2903152796 Hanoi VNA in English*  
*1440 GMT 29 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 29 — Prices of goods and services in March increased by 0.8 percent compared to February, the month of Tet (traditional lunar new year festival). Food prices were up in northern provinces while they were down in the south.

March is usually the fallow period in the north, which linked with the prolonged cold and little rain that affected the transplanting of winter-spring rice, people stored food in fear of hunger, thus causing a rise in food prices.

Though the government applied a policy to provide the people with rice from the national food reserve, and transported rice from the south to the north, rice prices remain high in northern provinces, particularly in Hanoi and other densely populated cities. Average food prices in the country in March increased 1.1 percent compared to February, while in Hanoi it increased 4.2 percent, in Ha Tay, 4.4 percent, and Nam Ha, 6.5 percent.

Meanwhile, thanks to alluvium brought with the floods last year to the Mekong River delta, provinces in this area are harvesting a good winter-spring rice crop. Rice prices in provinces from Thua Thien Hue to Can Tho and Kien Giang were down from 1.1-5.1 percent except for Ho Chi Minh City and Binh Thuan Province where prices grew 0.6 and 0.3 percent, respectively.

Prices of building materials in March slightly dropped by 1.7 percent against February due to the low speed

of construction and sufficient supply of steel, cement etc. Drawing lessons from a 'cement fever' last April and May, the cement companies under the Vietnam Cement Corporation had their equipment and machinery installed in lunar new year holidays which fell on February so that they could start immediately in March. Additionally, cement import companies tried to import cement right at the beginning of the year, resulting in corporation reserves of over one million tonnes of cement and clinker.

Service prices nationwide increased 0.3 percent over February, and 9.9 percent compared to the same period last year, with those in Hanoi higher than Ho Chi Minh City. Meanwhile, prices of gold and foreign currencies saw very little change.

Generally, the price index in the first quarter of 1996 went up 4.3 percent over December last year, compared to 5.1 percent in 1994 and 7.5 percent in 1995.

Consumer goods prices are estimated to have jumped about two percent in the second quarter this year.

#### **SRV: Government Approves Fund for Family Planning Program**

*BK2903154496 Hanoi VNA in English*  
*1414 GMT 29 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 29 — The government has approved a fund of VND [Vietnamese dong] 304 billion (roughly USD [U.S. dollars] 27 million) to accelerate the nationwide family planning programme in 1996, an increase of 2.2 percent in comparison with 1995.

Additionally, the National Committee for Population and Family Planning this year has also spent more than VND 4 billion (USD 360,000) on medicine and equipment for quick foetus testing in order to reduce the need for late abortions.

Health insurance cards valued at VND 7 million (roughly USD 630) have also been granted to people who have undergone vasectomies or female sterilization methods with a view to ensure their health, even while the Vietnamese people's living conditions remain difficult.

At present, Vietnam's population is estimated at 74 million with an annual average growth rate of 21.8 per thousand while there are about 1.5 million women at reproductive age having abortions each year.

This year Vietnam is striving to reduce the average birth rate to six per thousand compared to 1995. However, the birth rate is still high, between 30 and 40 percent thousand, in mountain and remote regions.



To solve these problems, the Population and Family Planning Committee has attached importance to boosting the implementation of projects on population and family planning in these localities.

**SRV: Ministry Requests Urgent Report on Labor Disputes**

*BK2903131496 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Mar 96*

[FBIS Translated Text] The minister of labor, war invalids, and social welfare recently sent an official letter asking the directors of the local departments of labor, war invalids, and social welfare to urgently report cases of labor disputes and strikes, especially the cases of violence by foreigners against Vietnamese workers since 1990. The local departments must clearly explain the relevant cases with regard to their location, time, causes, and results. All such reports must be completed by 30 March.

The minister of labor, war invalids, and social welfare has decided that, beginning 21 March, the directors must report directly to the ministry whenever there is a labor dispute, strike, or violent treatment of Vietnamese workers by foreigners.

**SRV Article Criticizes Mistreatment of Workers by Foreigners**

*BK3103142796 Hanoi LAO DONG in Vietnamese 24 Mar 96 p 2*

[Article by Nguyen Lan Dung: "Serious Legal Action Must Be Taken Against Foreigners Who Show No Respect for Vietnamese Law"]

[FBIS Translated Text] According to a recent report in LAO DONG, there were as many as 22 cases of foreigners beating and manhandling Vietnamese workers in 1995. The first three months of 1996 alone witnessed seven similar incidents, including a very serious one in which a foreigner brutally beat Vo Tuan Hai, a car driver, and did not let him go until he had been forced to kneel and ask for mercy!

These are alarming incidents. Vietnamese law does not condone such ill-treatment and offenses against our workers.

We are citizens of an independent, free, and sovereign country. Our law will punish foreigners who look down upon and offend Vietnamese workers.

How can such serious incidents be regarded as separate, individual cases that are part of everyday life in society? Deportation should not be regarded as the most serious punitive measure against foreigners! Suppose similarly brutal deeds were committed by Vietnamese nationals in a foreign country. Would the local authorities regard such incidents as part of everyday life in society?

The (1992) Constitution points out: "Citizens are entitled to the right to habeas corpus and their life, health, honor, and human dignity... are guaranteed by law. All forms of coercion, humiliation, and offenses against a citizen's honor and human dignity are strictly prohibited... Nobody is considered guilty or must serve his or her time unless a court verdict is reached and goes into effect." The Constitution also stresses: "Foreigners residing in Vietnam must comply with the Vietnamese Constitution and law..."

Article 111 of our country's Penal Code (1992) stipulates: "Whoever adopts brutal treatment of his or her subordinates must be subjected to warning, reeducation without actual detention for up to a year, or imprisonment ranging from three months to two years." Furthermore, Article 116 stipulates: "Whoever commits a serious offense against the honor and human dignity of others must be subjected to warning, reeducation without actual detention for up to one year, or imprisonment ranging from three months to two years."

We are positive that Vietnamese law enforcement agencies will perform their duties and will not let a small number of foreigners who manhandle and violate human dignity of Vietnamese workers go free. It is necessary to take them to court for trial as stipulated by law so that everyone can learn from their wrongdoings. We are convinced that foreign investors who act according to their conscience and who have a sense of human dignity will be indignant at the brutal deeds of a small number of foreigners who deliberately violate Vietnamese law and will concur with the need for Vietnamese law enforcement agencies to discharge their duties according to Vietnamese law.



## Australia

### Australia: Media Release on Air Services Agreement With PRC

BK2903131096 (Internet) Australian Department of Foreign Affairs and Trade WWW in English  
28 Mar 96

["Media release" issued by the Australian Department of Foreign Affairs and Trade in Canberra on 28 March: "New Australia-China Air Services Agreement"]

[FBIS Transcribed Text] The Australian Government has negotiated a substantial increase in air services between Australia and China, according to the Minister for Transport, Mr John Sharp.

Before the new agreement only one airline from each country could serve the route — linking Melbourne and Sydney with Beijing and Guangzhou — on a once-a-week service.

"As a result of the new agreement, six airlines can now fly the route, frequencies for each side are increased immediately to nine a week and increasing in stages to 13 by 1998," Mr Sharp said on 27 March.

"Brisbane, Perth, Shanghai and Shenzhen are to be added as new points open to Australian and Chinese airlines, offering new openings for services to Queensland and Western Australia.

"China is already a substantial and growing aviation market for Australia and its potential is enormous. Obviously, the previous arrangements were totally inadequate to meet current and future demand and it was essential that they be expanded."

Mr Sharp said the agreement offered greater opportunities for tourism, aviation and consumers, which would lead to the creation of extra jobs.

"The business community will benefit also from a much higher frequency of direct services and links between a wider range of cities in the two countries."

He said Ansett was planning to take up the opportunities made available by the new arrangements and two new Chinese carriers, China Southern and China Eastern, might also have plans to begin services to Australia. The present airlines on the route, Qantas and Air China, had an excellent opportunity to increase services.

"This expansion in aviation rights restores a strong aviation relationship, and is a major step forward in our efforts to develop the full potential of our wider relationship with the People's Republic of China, one of the fastest growing economies in the Asian region," he said.

### Australia: Media Release Welcomes Powers' Signing of SPNFZ Treaty

BK2903130796 (Internet) Australian Department of Foreign Affairs and Trade WWW in English  
26 Mar 96

["Media release" issued by the Australian Department of Foreign Affairs and Trade in Canberra on 26 March: "Australia Welcomes Signing of Nuclear Free Zone Treaty"]

[FBIS Transcribed Text] Accession by France, the UK and the USA to the three Protocols to the South Pacific Nuclear Free Zone (SPNFZ) Treaty has brought to an end the unhappy chapter of nuclear testing in the South Pacific, according to the Prime Minister, Mr John Howard.

All five nuclear weapon states have now undertaken not to use or threaten to use nuclear explosive devices against any SPNFZ member and not to test nuclear explosive devices within the Treaty area.

"France's signature to the Protocols is particularly welcome, as is France's response to the concerns of South Pacific states by announcing its intention to close its testing facilities, except those required for environmental monitoring, and to support the International Atomic Energy Agency's (IAEA) study into the effects of its testing," Mr Howard said on 25 March.

"All Australians will hope that this action by the nuclear powers will have a positive influence on the critical final stages of the negotiation of a Comprehensive Test Ban Treaty in the Conference on Disarmament in Geneva where negotiations are due to end this year."

The Minister for Foreign Affairs, Mr Alexander Downer, also welcomed the signing of the Protocols.

"For a region which saw the first and only nuclear weapon attacks in 1945 and which then experienced atmospheric and underground nuclear testing for over 40 years, today's ceremony in Suva is a truly historic event," he said.

Mr Downer said that signature and ratification of the SPNFZ Protocols by all five nuclear weapon states had long been a major Australian and South Pacific Forum objective.

"I believe it is important for Australia and the South Pacific region more generally to look forward in its relations with France. France makes a valued contribution towards regional development and Australia welcomes its active and constructive engagement in the region.

"It is now also important to look forward and to capitalise on the impetus which this action by the nuclear



powers could give to broader contemporary nuclear non-proliferation and disarmament objectives. In particular, the work of the Conference on Disarmament in finalising the negotiation of a Comprehensive Test Ban Treaty, to which Australia is contributing actively, should receive a boost," he said.

#### **Australia: Liberal-National Coalition Returned in Victoria**

*BK3003124596 Melbourne Radio Australia in English 1100 GMT 29 Mar 96*

[FBIS Transcribed Text] In an election for the government in the Australian state of Victoria, the coalition of the Liberal and National Parties has been returned convincingly to power. With the majority of the votes counted, the coalition led by Premier Jeff Kennett appears likely to be returned with its massive majority of 35 seats reduced to only about 30.

This was despite a swing of about 2.5 percent to the opposition Labor Party led by John Brumby on a two-party preferred basis. To regain office, it had required a swing of 8 percent. In conceding defeat, Mr. Brumby said his party's position had improved and only small swings were now required to win more seats at the next election.

One prominent former Labor Party minister, David White, has lost his seat and another, Mal Sandon, also appears to have been defeated. On the government side, the minister for small business, Vin Heffernan, also lost his seat.

#### **Australian Official on New Caledonia Cyclone Damage**

*LD0104120096 Melbourne Radio Australia in English 1000 GMT 1 Apr 96*

[FBIS Transcribed Text] Several coastal towns in northeastern New Caledonia remain cut off by telephone and have no electricity or running water nearly a week after cyclone Betty. Officials say schools and colleges in the north are still closed and 14,000 school children will be unable to resume classes before Easter. There are also fears of longterm food shortages in some areas.

Australia's consul-general in New Caledonia, Graham Wilson, says crop damage is extensive:

[Begin Wilson recording] The damage to crops, including bananas and yams, as you mention, has been, has been quite severe and in some cases, not too far from Noumea, within an hour or so. But most of it, as I say, more towards the northern part of the island, particularly it seems the northeast where one village, the village of

[Qwawa] was in fact pretty well destroyed, or at least 80 percent of it was destroyed. [end recording]

Meanwhile Cyclone Betty has actually brought some minor relief to the territory's taxpayers. They've been given an extra five days to pay the first installment of tax due for the just ended financial year.

#### **New Zealand**

##### **New Zealand Editorial Welcomes Relaxation in PRC-Taiwan Tensions**

*BK3003111296 Christchurch THE PRESS in English 29 Mar 96*

[Editorial: "After Taiwan's Election" — received via Internet]

[FBIS Transcribed Text] It is a relief that China's war games are over. The belligerent display could have got out of control; a stray missile could have hit a Taiwanese or a United States ship, for instance. In fact, a Chinese spacecraft was approaching earth out of control at the very time that the exercises began. Advanced technology can go badly wrong.

It is not easy to say what China accomplished by warmongering. If the aim was to deter Taiwanese voters from supporting Li Teng-hui in the presidential election the pressure failed miserably. President Li got 54 per cent of the vote, which was higher than previous polls had given him. He probably got more votes than he would have if China had not been threatening.

President Li has never advocated total independence from China, as has another candidate, Peng Ming-min, of the Democratic Progressive Party, who favours total independence. He got only about 21 per cent of the vote. The effect of China's actions might have been to cause voters to switch from him to Li Teng-hui. The war exercises also meant that the focus of the election was on China's attitude and actions. Had that not been the case the Kuomintang Party, to which Mr Li belongs, might have faced a rougher challenge on such issues as corruption.

The effect of China's intervention has been to strengthen President Li, which might let him more easily persuade Taiwanese to accept his policies. China sometimes works in subtle ways, sometimes in clumsy ways. Whether by design or by chance on China's part, Taiwan has a President whose policy is reunification with the mainland. If subtlety were China's intention, most people must have not recognised it. China's seeming heavy-handedness will have given many countries reason to regard China with alarm. Although big differences exist between Hong Kong and Taiwan, within 16



months Hong Kong will be returned to China and how China behaves is of considerable moment to the people of Hong Kong.

The election of the Taiwanese President was the first direct election to that post. It means that both Taiwan's parliament and its head of state have now been elected directly. China did not like the process of legitimisation of Taiwan's rulers, maintaining that however they were chosen they represented only a province of China. In the end, China seemed prepared to accept the democratisation provided Taiwan made no separatist moves.

It was always improbable that China would attack Taiwan. For one thing, Taiwan's forces are formidable. China, with its population of more than a billion, dwarfs Taiwan's population of 21 million but Taiwan has large defence forces and a great many weapons. One estimate is that at the rate of outnumbering Taiwan's forces three to one, China would need to land 750,000 troops on the island. It has landing craft to transport only 6000 troops. The use of such craft is not the only way to get troops ashore but other methods would be very risky indeed.

Direct attack being unlikely, China has a number of other options. The exercises caused a huge outpouring of capital from Taiwan, and it is uncertain if it will pour back. The possibility of a blockade of Taiwan's ports has also been discussed. China undoubtedly has the capacity to influence Taiwan's economy and trade. Yet China wants to continue the remarkable rate of development it has experienced over the last few years and threats to Taiwan could affect that in at least two ways. Taiwanese investors are among China's most important and they could withdraw their money. Also, China's international behaviour must affect the way its stability is viewed by other investors.

The sooner Taiwan and China reach some agreement about how to live with each other the better for the whole region. Whatever accommodation is reached, China needs to find a less destabilising way to treat Taiwan.

#### **New Zealand Editorial Praises SPNFZ Treaty by Nuclear Powers**

*BK3003154596 Christchurch THE PRESS in English  
26 Mar 96*

[Editorial: "A Better Treaty" — received via Internet]

[FBIS Transcribed Text] The signing by France, Britain, and the United States of the protocols to the South Pacific Nuclear Free Zone [SPNFZ] Treaty yesterday was an important day for the South Pacific. It means,

among other things, that the days of testing of nuclear weapons in the South Pacific are over.

The signing was not before time: the treaty has existed since 1985. It was worded in such a way that Britain and the United States could have signed the protocols more than 10 years ago. That they did not was partly through nuclear solidarity. France was testing nuclear weapons in the region and Britain and the US did not want to leave France isolated. In 1985, too, the Cold War had not come to an end. The US in particular was still viewing the spread of nuclear-free zones with some disapproval. The other two acknowledged nuclear powers, Russia and China, signed in 1985. By 1996 the US, Britain, and France, always opposed to the proliferation of nuclear weapons, were becoming more alarmed about the prospect of that happening and were much more prepared to use any means, including accepting nuclear-free zones and a treaty to ban all nuclear tests, to control the spread of nuclear weapons.

France's decision to sign, which undoubtedly influenced the US and Britain, was announced during the recent series of nuclear tests conducted at Mururoa and at Fangataufa atolls in French Polynesia. It was almost certainly motivated by France's desire to appease domestic and international opinion, which had been outraged by the tests. France also announced that it would sign a comprehensive test-ban treaty and advocated a total ban on tests. This was highly significant because although the term "comprehensive test-ban treaty" suggests that there would be no further nuclear tests at all, in fact the negotiations for that treaty included the possibility that tests with very small yields would be permitted. France's advocacy of a total ban on tests helped change the grounds of the negotiation. Lovers of irony will have noted that without the recent series of tests and the uproar they caused internationally France might not have been prepared to sign the South Pacific Nuclear Free Zone Treaty or been so forthcoming on the comprehensive test-ban treaty.

The SPNFZ treaty was the third of its type. In 1967 the Treaty for the Prohibition of Nuclear Weapons in Latin America was concluded, and the Antarctic Treaty of 1959 demilitarised the Antarctic Continent and specifically banned nuclear explosions and the storage of nuclear waste. The kernel of the SPNFZ treaty lies in the third article, under which each party to the treaty undertakes not to manufacture, possess, or have control over any nuclear explosive device. The parties also agree not to seek or to receive any assistance in the manufacture or acquisition of nuclear weapons and agree not to take any action to assist or encourage the manufacture or acquisition of any nuclear explosive by any State. Testing received special mention. Article 6



says that each party undertakes to prevent in its territory the testing of any nuclear explosive device and not to take any action to assist or encourage the testing of any nuclear explosive device by any State. The treaty was signed in 1985 by eight countries: Australia, New Zealand, the Cook Islands, Fiji, Kiribati, Niue, Tuvalu, and Western Samoa. Since then another three have signed.

The nuclear powers were not asked to be primary parties to the treaty but to sign protocols. The first protocol was aimed at Britain, the US, and France. If they signed they would not allow their dependent territories in the region to be used for the manufacture, stationing, or testing of any nuclear explosive device. The second protocol would bind the five nuclear powers not to use or threaten to use any nuclear explosive device against any of the parties to the treaty. The third protocol is also directed at the five nuclear powers, and signatories would undertake not to test any nuclear device within the South Pacific Nuclear Free Zone. Considerable disappointment was expressed in 1985 over the unwillingness of Britain and the United States in particular to sign the treaty because it was they and France, among the nuclear powers, which had dependent territories in the South Pacific.

In announcing its willingness to sign the treaty, the United States said the treaty would not prevent its nuclear warships or aircraft from going through the zone. That is in accordance with the treaty. Nor will it prevent any ships visiting ports under the neither-confirm-nor-deny policy. The treaty allows each party to decide for itself whether to permit visits by foreign ships and aircraft to its ports and airfields.

A South-East Asian Nuclear Free Zone was established recently and it has similar protocols for the nuclear powers to sign. The US has so far not signed this treaty, apparently wanting absolute assurance on transit rights for its ships. Nuclear-free zones are no longer regarded with the disapproval they once met from the United States, Britain, and France but some caution is maintained. In 1985 the establishment of the South Pacific Nuclear Free Zone was largely symbolic but the end of the testing era, which occurred yesterday, has a practical, good effect which is welcome in the whole of the region.

#### **New Zealand Parties' Disagreement Over 'Superannuation' Viewed**

BK3003160796 Christchurch THE PRESS in English  
23 Mar 96

[Unattributed Report — received via Internet]

[FBIS Transcribed Text] For an issue that was meant to have been neutralised by a multi-party accord, su-

perannuation remains politically volatile. The accord looks like surviving only to the extent that it can become a moveable feast, capable of stretching to cope with fresh political demands. Some parties, including National, had already signalled movements in the superannuation regime, but Labour's intention to wipe the surcharge stretched the accord to breaking point. The United Party defused the tension with a salvage plan under which all the accord parties will consider abolishing the surcharge. The Government will not say if it agrees but in reality it does not have much choice. That seems a remarkably painless solution to an issue that has dogged politicians for a decade, but it is not so simple.

Whatever the Government decides, the surcharge can probably go. Labour, the Alliance, United, and New Zealand First — not an accord partner but the most vehement opposer of the surcharge — could see to that. Windfalls, though, have strings attached. Superannuation is once again a political football. That means uncertainty for retirement savings, and decisions based on politics rather than economics or demographics.

The superannuation accord was instigated by National because it had been brutally wounded by promising in 1990 to remove the surcharge and then failing to do so. Instead it proposed a regime that was markedly tougher but reneged in the face of popular and caucus outrage and settled for something closer to the structure it had inherited.

National, Labour, and the Alliance saw the wisdom of putting superannuation beyond politics. At the very least, it was a zero-sum game; if no party could in future win with superannuation, then neither could they use it to do damage to the others. Labour, of course, had struck its own trouble by instituting the surcharge in the first place. Now it has gone full circle — "adopted a broader view of superannuation policy", is how finance spokesman Michael Cullen puts it — and is attempting to shrug off the burden it invented. When the surcharge was imposed, Labour argued, without much success, that sound reasons existed to justify it. National Superannuation, as drawn up by the Muldoon Government, was said to be economically unsustainable. Even if it were affordable at present, it would not be by the second decade of the coming century when the baby-boomers reach retirement age.

Furthermore, a surcharge meant a fairer superannuation regime, in which assistance would be targeted at those who needed it. Labour argued that taxpayers could fund a more generous scheme if it were targeted instead of universally providing for the wealthy who had no need for it. Labour stuck to that line despite two enormous



counter-arguments — its pre-election promise not to tamper with superannuation and the impression that the surcharge was merely a penalty on those who had wisely provided for retirement.

National compounded the difficulty by campaigning specifically to remove the surcharge and promptly declaring it could not honour its promise. That decision, bound up as much in the immediate financial crisis that it inherited in 1990 as by considerations of long-term stability, contributed arguably more than any other single decision to the defection of many National supporters and the rise of New Zealand First.

The accord came to be seen as a precursor of the more consultative inter-party politics that MMP [mixed member proportional electoral system] will allegedly usher in. It is clear from Labour's stance, however, that it is refusing to let the accord bar it from designing a scheme that it hopes will be more attractive to voters.

Dr Cullen speaks of big changes to the structure of superannuation and wants to establish a system in which a clear contract exists between paying for superannuation and receiving it. He appears to be suggesting a revival of the earmarked tax that Labour attempted to introduce in its last gasp in 1990. He is not even ruling out a compulsory superannuation savings scheme — which he toyed with while Minister of Social Welfare but later abandoned, saying there was no longer time to launch a compulsory scheme to catch the coming wave of baby-boomers. Dr Cullen does say that Labour wants to look at long-term incentives for saving, a suggestion that it would abandon the neutral position under which retirement savings are taxed the same as any other form of saving.

Labour interprets the Government's willingness to discuss the surcharge as a breakthrough. If the Government did not allow parties within the accord to put forward their own proposals it would give free rein to those outside to make capital, Dr Cullen says. That has always been the position, and New Zealand First did not sign

up precisely because it wanted the freedom to push its own policies.

In reality, the accord has proved not to be the bulwark against political pressures that was hoped for. In other words, all options appear to be on the table again. Cynics suggested all along that the accord was an empty document. If that is the case, however, many New Zealanders failed to take much notice; long-term saving for retirement still remains low.

The shifting of the accord is yet another warning that if people want a comfortable and predictable retirement they should be doing whatever they can to provide for it. For two decades now, politicians have failed to provide a satisfactory alternative that can be relied upon to be in place beyond elections, let alone across generations. It appears that will be the way of the future as well.

### Western Samoa

#### Western Samoa: General Elections Announced for 26 Apr

LD3003094096 *Melbourne Radio Australia*  
in English 0900 GMT 30 Mar 96

[FBIS Transcribed Text] The Government of Western Samoa has announced that general elections are to be held on 26th April. The ruling Human Rights Protection Party, which currently holds more than 30 seats in the 49-seat legislative assembly, is seeking another five-year term in office. Correspondents say the party has taken the country through an unprecedented period of economic restructuring and growth, but concern over the continued poor health of Prime Minister Tofilau Eti Alesana, still recovering from heart problems in a New Zealand hospital, could sway swinging voters and benefit the main opposition Samoa National Development Party. A report by Western Samoa's controller and chief auditor describing widespread government corruption, and the introduction of a 10 percent goods and services in tax in 1994, have also caused public disquiet.







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